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AFP

Gerry Adams, the Sinn Fein leader.

Blair Is Likely To See Adams

Reuters

BELFAST — Prime Minister Tony Blair is expected to meet Gerry Adams, leader of Sinn Fein, the IRA's political arm, during a visit to Northern Ireland on Monday, political sources in the province said Sunday.

A British government source confirmed the visit, saying: "The prime minister will be here tomorrow. He will be visiting various parts of the province, and will be meeting a fairly wide range of people."

Political sources said Mr. Blair would meet leaders of all the political parties taking part in Northern Ireland peace talks. Sinn Fein joined the talks two weeks ago following a cease-fire declaration by the Irish Republican Army.

The visit has generated newspaper speculation over whether Mr. Blair will shake the hand of Mr. Adams, and thereby infuriate Protestant loyalists who want the province to remain British.

All Abroad! A Surge in Expatriate Americans

By Brian Knowlton
International Herald Tribune

WASHINGTON — They are the entrepreneurs who rushed to post-Communist Poland to test the waters of opportunity; the Jewish students who went to Israel for junior years abroad and could not bring themselves to leave, the retirees stretching their Social Security dollars in Mexico and the Greek-Americans returning to ancestral homes.

They are the Americans abroad, and their number is soaring in a time when travel is unblinkingly routine, communications easy and instant, and telecommuting a serious option. They are abroad in a world where they can watch the Super Bowl live from a Moscow sports bar or send an e-mail from an Internet café in Prague.

In the last 30 years, their number has more than quadrupled. Just since 1990, the number of civilians abroad has risen nearly by half, to 3.3 million from 2.3 million, according to the State Department.

The actual total could be even higher — 4 million to 5 million, perhaps more, according to groups representing the interests of Americans abroad.

The State Department estimate excludes U.S. government employees, the 400,000 American troops on active duty abroad (plus 150,000 afloat) and the hundreds of thousands of dependents and Defense Department civilian employees outside the country. There

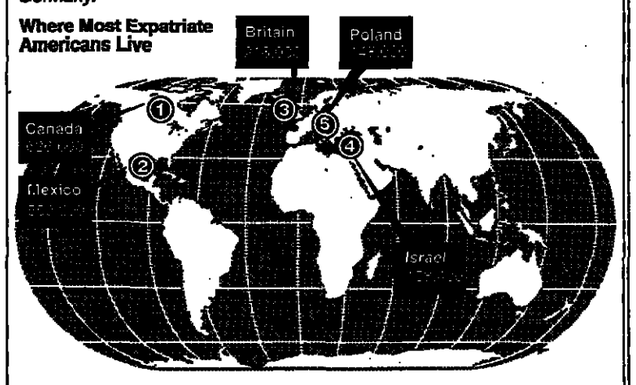
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Americans Abroad

The number of Americans living abroad has more than quadrupled in the past 30 years as Americans retire in countries where living costs are lower, return to their ancestral homes or move abroad to do business or pursue other activities. Canada and Mexico are the countries most favored by expatriate Americans, followed by Britain, Israel, Poland, Italy and Germany.



Where Most Expatriate Americans Live



6	Italy	18	Ireland
7	Germany	19	South Korea
8	Philippines	20	Switzerland
9	France	21	Netherlands
10	Dominican Republic	22	Belgium
11	Greece	23	Colombia
12	Japan	24	Venezuela
13	Australia	25	Costa Rica
14	Spain		China 9,890
15	Saudi Arabia		Russia 7,350
16	Hong Kong		Bermuda 4,250
17	Taiwan		Vietnam 2,900

Source: State Department estimates based on reports by consulates and embassies. Military and government personnel not included. IHT

With an Eye on Trade, Clinton Hits the Road

Weeklong South America Trip Aimed at Broader Economic Ties

By Paul Blustein
Washington Post Service

WASHINGTON — President Bill Clinton left here Sunday for Venezuela on the start of his first trip to South America, a region his aides say is loaded with economic potential for the United States.

Mr. Clinton's weeklong schedule, aimed at broadening U.S. economic ties in the region, also includes stops in Brazil and Argentina, which have by far the largest economies in South America.

White House officials are clearly eager to showcase a transformed continent. South America, they say, has become the world's fastest-growing market for U.S. exports.

But some economists note that for all the recent growth in the region, it accounts for only 7 percent of U.S. trade if Mexico, which has a separate free-trade agreement with the United States and Canada, is excluded.

The Clinton aides, for their part, point out that South America has more than $1 trillion in gross domestic product and a potential consumer market of more than 320 million people.

Fueling their enthusiasm is a desire to promote the president's bid for authority to negotiate new trade agreements.

Mr. Clinton wants to use that authority to extend free trade beyond Mexico and Canada to the rest of Latin America and the Caribbean, so administration officials are touting South America as a lucrative market that the United States must embrace before rival powers carve it up for themselves.

"Our exports to the region are growing at twice the rate that they are to any other region in the world," said Thomas McLarty, the president's special envoy for the Americas.

"The prime ministers of Japan, China, Taiwan and Canada, and the presidents of South Korea and France, have all traveled to South America this year," Mr. McLarty added. "Our competitors are trying to seize markets that are naturally ours. We will lose if we do not engage our neighbors to the south."

Such portrayals reflect the remarkable economic revival that Brazil, Argentina and many other South American nations have staged in the 1990s. But other analysts caution that South America's importance as a market should not be exaggerated, as Mexico's sometimes was by proponents of the North American Free Trade Agreement during the 1993 debate over NAFTA.

A recent study by the Congressional Research Service, for example, noted: "Latin America is a relatively poor region and, excluding Mexico, makes up only 7 percent of U.S. trade," even though it includes several sizable countries that are "considered among the more promising emerging markets" in the world.

"I think there's a good case to be made for free trade with Latin America," said Greg Mastel, a trade specialist with the Economic Strategy Institute. "But it's not one that lends itself to hyperbole."

Indeed, U.S. business has been advancing so rapidly into South America and the Caribbean that at first blush, a free trade agreement might seem

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New Brazil Awaits the President

Nation's Progress Promotes Stability

By Anthony Faiola
Washington Post Service

BRASILIA — In the heart of this capital city, the Palace of the High Plateau, Brazil's equivalent of the White House, has often stood as a national monument to dashed hopes. Leaders, many of them military dictators, would issue bold but empty promises from these stark white halls as the poor grew poorer and corruption infested the palace.

But as President Bill Clinton prepares for his first visit to Brazil, beginning Monday, he will find in these same halls a new sense of credibility, stability and upward mobility taking root in Latin America's largest nation.

The shift stems, experts say, from a good-humored, democratically elected intellectual, President Fernando Henrique Cardoso, who has won domestic popularity and international respect for the economic and political transformation he has set in motion in Brazil — a country bigger than the continental United States and with a population greater than Russia's.

Brazil's new order, although still fragile, holds strong implications for Mr. Clinton and the United States, which is discovering that this nation is demanding a more equal footing with Washington. Brazil is muscling into the role of the hemisphere's second voice on the world stage, seeking a permanent seat on the United Nations Security Council. And, as the core of a fast-growing trading bloc called Mercosur, a South American variant of the European Union, it has succeeded in influencing politics and economics throughout the region.

Indeed, one of Mr. Clinton's missions here will be to sell the Brazilians on a Free Trade Area of the Americas, something the Brazilians fear may hurt their economy if put into effect too quickly, and, experts say, they could easily block.

"When Nixon came here in the 1970s, he said, 'Where Brazil goes, Latin America goes,'" said Alexandre Barros, a Brazilian political analyst. "At the time, it was just flattery," but "Now it's true."

Mr. Cardoso, who came to power in 1994 after a long line of disappointing administrations, including the impeached Fernando Collor de Mello, is credited with ending hyperinflation, opening up the economy and restoring a measure of faith in this country's highest office. His approval rating stands above 60 percent, one of the highest in South America, and pundits say his road to re-election next October likely will be softer than the cheese bread so popular here.

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A Global Odd Couple at the Table

By Barry James
International Herald Tribune

BRUSSELS — American and European negotiators will meet in Brussels this week to try to solve their dispute over "extraterritoriality" — the long reach of the U.S. Congress to impose sanctions on European companies that deal with Cuba and Iran.

The talks will unfold in the aftermath of similarly contentious trans-Atlantic issues, including hormone conteit in beef, aviation market dominance by Boeing and trade in bananas.

Although the troubles with Washington have galvanized some unity among European nations, they routinely reveal how sluggish and bureaucratic the European foreign policy mechanism can be when compared with the way a single powerhouse like the United States moves diplomatically, experts say.

With 15 nations looking over its shoulder, four virtual "foreign ministers" who do not always see eye to eye, and a seriously overstretched bureaucracy, the European Commission, the EU's executive body, often has difficulty persuading the rest of the world that Europe has a serious foreign policy.

The European community has always been seen as an economic giant but lacking political clout.

The Treaty on European Union in 1993 endowed Europe with a common foreign and security policy, but the treaty recognizes that such a policy would not be effective until members saw it as a means of furthering their own interests along with those of the community.

Officials concede it may be a long time before that happens, especially for countries such as France and Britain, which have lost their colonies but still have global foreign policy pretensions.

Europe's foreign-policy successes and failures have often been measured in comparison with America, its closest ally but at times its most irksome rival.

Officials on both sides describe the trans-Atlantic relationship as extraordinarily close — far closer, in fact than the EU's relations with the countries in Eastern and Central Europe that are applying for membership.

Trans-Atlantic trade is measured in trillions rather than billions of dollars, "and in many respects we have a single market with the United States," a commission official says.

The U.S. effort to sanction companies trading with Tehran has been challenged by Total SA, the French oil company whose $2 billion contract to extract natural gas from an Iranian field has the support of the government in Paris and other EU members.

They are furious with threats by the United States to sanction European companies under the D'Amato law, which authorizes sanctions against American subsidiaries of any company that invests more than $20 million in Iran, and the Helms-Burton Act, which calls for punishing foreign companies that hold property seized from American by Cuba.

Although U.S. officials are re-

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AGENDA

Clinton Inquiry Is Now 'Massive'

WASHINGTON (Reuters) — Attorney General Janet Reno said Sunday that she was mounting one of the most complex investigations in U.S. history to determine whether to seek an independent counsel to probe President Bill Clinton's fund-raising activities.

She said she might interview Mr. Clinton as part of the "massive ongoing criminal investigation that I'm going to see takes us where the evidence is."

Ms. Reno said that the videotapes of Mr. Clinton's coffee meetings with supporters had not yet yielded evidence of criminal conduct.



AP

Attorney General Reno leaving a TV studio interview Sunday.

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The IHT on-line www.iht.com

Shell Studies Big Gas Line Across Iran

By David B. Ottaway and Dan Morgan
Washington Post Service

WASHINGTON — The British-Dutch energy conglomerate Royal Dutch/Shell is negotiating to build a $2.5 billion gas pipeline across northern Iran, according to diplomatic sources.

The project would be the second recent multibillion-dollar project by a European oil company involving a large energy deal with the Tehran government.

The project would carry natural gas from Turkmenistan, a former Soviet republic, to Turkey and Western Europe

U.S. carrier enters Gulf. Page 11.

and would be a breakthrough in efforts to export the vast resources of the Caspian Sea region.

Following an announcement Sept. 28 by the French oil company Total that it planned to join in investing $2 billion in Iranian offshore gas fields, the deal represents a further challenge to the Clinton administration's attempts to isolate Iran.

However, Washington decided in July that a trans-Iranian gas pipeline would not be a direct violation of a U.S. trade law mandating sanctions against companies investing more than $20 million a year in Iran's energy sector.

This, officials explained, was because

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Assassination: Israelis See the Need

By Barton Gellman
Washington Post Service

JERUSALEM — In the national mortification over a failed assassination attempt in Jordan, Israelis are dissecting every tactical, technical and procedural flaw in the affair. Strikingly absent from the debate, however, is a question that might be expected elsewhere: Should the government be in the business of dispatching assassins to kill its enemies abroad?

For Israeli Jews, profoundly insecure in their 50th year of statehood, the answer appears to be self-evident. No mainstream politician or columnist, from right to farthest left, has questioned Israel's entitlement to hunt down accused terrorists such as Khaled Meshal, chief of the militant Islamic group Hamas's political bureau in Amman.

That is unusual among democracies with roots in the Western traditions of individual rights and the rule of law. In England, allegations of a shoot-to-kill policy by British troops against the Irish Republican Army caused a scandal in the mid-1980s. In the United States, the backlash against CIA abuses unearthed by the Church committee led to a legal ban on assassinations in 1976.

Israeli law not only sanctions assassination but has regularized it to some extent. At roughly the time that

NEWS ANALYSIS

the U.S. Congress passed the assassination ban, then-Prime Minister Golda Meir set up twin committees — a forum of secret service chiefs known by its Hebrew acronym, Varash, and a panel of government ministers known as the X Committee — to vet candidates for assassination by the Mossad, Israel's espionage agency.

What has aroused debate in Israel is not the Sept. 25 attempt to poison Mr. Meshal but rather its spectacular failure. To obtain the freedom of two captured Mossad agents, Prime Minister Benjamin Netanyahu agreed to provide the antidote for the nerve agent that otherwise would have killed Mr. Meshal within two days.

Relations chilled with Jordan and with Canada, whose forged passports the Mossad agents had carried. Hamas, the "snake" whose "head" Israeli officials said they had been trying to cut off, emerged far stronger when Mr. Netanyahu was forced to release its founder, Sheikh Ahmed Yassin, from an Israeli prison.

One measure of the Israeli political dialogue, and the assumptions shared by those who take part in it, was a radio interview given by Alex Lubotsky, a member of Parliament from the middle-of-the-road Third Way party. The issue he was addressing was not whether Israel should engage in assassinations, but whether it should do so in friendly countries such as Jordan.

"It's very easy to say you shouldn't do it in countries with which we have relations," Mr. Lubotsky said. "The first commitment of a government is to the security of its people. Unfortunately we don't live in a normal coun-

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In Enigmatic North Korea, the Case of the Disappearing Famine

By Nicholas D. Kristof
New York Times Service

TOKYO — North Korea is like a kaleidoscope.

Turn the wheel a bit and you see horrific images of skeletal children and warnings that hundreds of thousands of people are dying of starvation. Turn it the other way and you see energetic peasants and suggestions that there is no famine at all.

Last week, this kaleidoscopic country formally acquired a new leader, Kim Jong Il, who was named Wednesday as the general secretary of the ruling Workers Party. Mr. Kim is himself a cipher, and one of the great puzzles of Asia today is simply this: Is he presiding over widespread famine?

It is a subject debated by Korea experts, with huge numbers of lives perhaps at stake. But one thing that many agree on is that food stocks seem to have improved significantly in the last few months.

There may be pockets of famine, but the harvest has begun and hundreds of thousands of tons of foreign aid have apparently alleviated the worst of the suffering — for now. While the public perception of North Korea is still of starving children in orphanages, that is not the impression many visitors are coming away with. All the commotion about famine may have in fact helped avert one.

"People are looking much better than we expected," said Namanga Ngongi, deputy executive director of the World Food Program, passing through Japan after a visit to North Korea. "People are not looking in great shape, but they are not keeling over, either."

Stephen Linton, a Korea scholar and aid worker who has made about 25 trips to North Korea, said that on his latest visit, late last month, conditions had clearly improved. "It was better than when I was there in August," he said. "And August was better than June, and June was better than May."

"I've been kind of bewildered by all the attention the famine has gotten lately," he added, "because this is the time of year when the situation is at its best. This is when they have the most surplus food."

North Korea is rather bewildering. It may well be the second most remote place in the solar system, after Pluto. Few people are allowed into North Korea or to travel around the countryside, so there is no clear reality to this country, only a

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Newsstand Prices			
Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 QR
Egypt	E£ 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

هكذا من الأصل

'Be Like Che' / **A Symbol of Unity**

In Guevara, Cubans See A Signpost to the Future

By Serge F. Kovaleski
Washington Post Service

HAVANA — These are times of extreme hardship in Cuba. And for Carmen Almeida, the photo image that hangs in her bedroom of revolutionary Ernesto (Che) Guevara lying dead, his lifeless eyes staring at the heavens, heartens her as she deals with the food rations, power outages and endless waits for buses that are the withering rituals of her existence.

"In Che, I have found a kind of god because he embodies such sacrifice, the ultimate sacrifice, which was death," the 33-year-old teacher said. "When I seek inspiration to go on, this is what I see in his corpse. In this period of our history, when we are facing a tough economic crisis, we need to follow his principles of struggle and hope. We need the strength of Che."

In one of the world's most closed political systems and few remaining socialist economies, Guevara remains a potent symbol of hope and unity — one that the government has tirelessly exploited in the past year.

The importance of Guevara's legacy to so many Cubans was played out Saturday as hundreds of thousands of people such as Mrs. Almeida descended on Revolution Square to pay homage to the guerrilla icon. He fought alongside Fidel Castro to topple the dictator Fulgencio Batista and bring communism to this island nation four decades ago. Later he was in charge of the army's execution of war criminals.

Music praising the doctor-turned-rebel was piped through large speakers as admirers hoisted Cuban flags and banners emblazoned with portraits of Guevara and revolutionary slogans.

Under a towering steel mural depicting the Argentine-born revolutionary with his customary flowing hair, beard and beret, throngs of people endured long lines to briefly pass by the boxes holding remains of Guevara and six of his comrades. The rebels were captured and executed in a mountain hamlet in Bolivia in 1967 while trying to export revolution there and elsewhere in South America.

Inside the Jose Marti Memorial perched atop Revolution Square, a stream of people somberly filed past the remains of the seven fighters, which were kept in brown wooden boxes and draped with flags. Soldiers stood at attention. At one point, a weeping woman knelt down and kissed the box bearing Guevara's name. All the remains will be moved to a recently completed mausoleum in Che Guevara Square in the central town of Santa Clara, the site of the decisive battle led by Guevara that would overthrow General Batista's regime.

After Guevara's body disappeared following his death at the age of 39, some of his bones were discovered by a forensic team in a secret Bolivian grave and returned to Cuba in July. That set the stage for an elaborate state commemoration of the "30th Anniversary of the Death in Combat of the Heroic Guerrilla and His Comrades" that was started Saturday and will culminate Friday when the remains are interred.

The outpouring of reverence for Guevara comes when Cuba is facing pressing questions about the future of its socialist state model. A severe economic crisis has developed because of the fall of communism in the Soviet bloc and of punitive measures imposed on this Caribbean country by the United States through an embargo and the Helms-Burton Act.

BUT THE aura of Guevara, who is affectionately referred to simply as Che, has been a welcomed counterweight in this period of uncertainty. Many Cubans say they have found solace and reaffirmation in the ideological fervor and strong will of a man who was a prolific writer and a student of economics while also helping peasants cut sugar cane.

"Che is our guide in work, study and as a communist revolutionary," said Maria Gomez, 50, holding her 4-year-old grandson, while they waited in line to pay their respects. "We all want our children to be like Che."

President Castro has used Guevara's stature as a national symbol to his advantage. He opened the Fifth Congress of the Communist Party on Wednesday on the anniversary of the rebel's capture and closed the gathering on the eve of the opening of the commemoration.

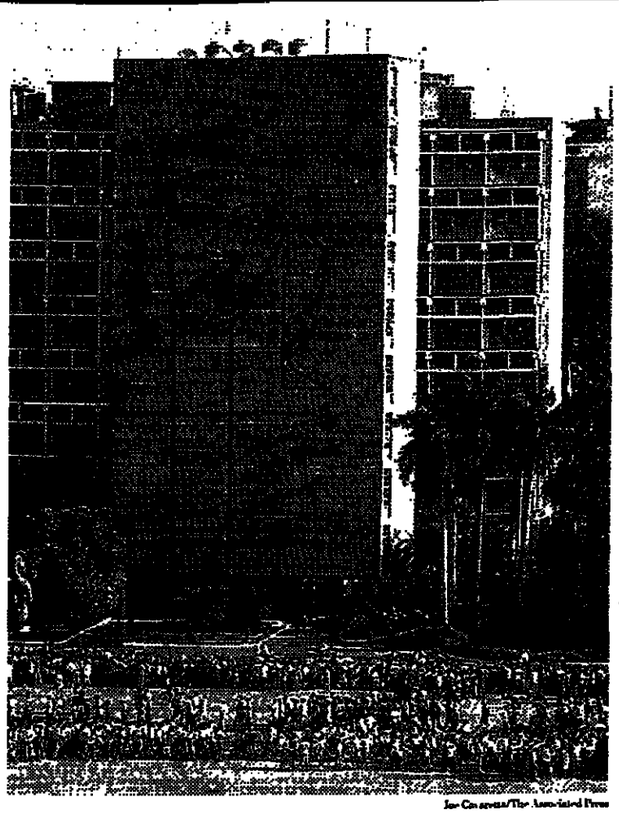
Moreover, the government recently initiated a "Be Like Che" campaign to counter the lack of interest in communism among some Cuban teenagers and displayed a large picture of Guevara during the 14th World Festival and Conference of Youth and Students held in August.

"He gave his life in the struggle for the liberty of our people," Elisa Espinera, 13, an eighth-grader and one of many teenagers who turned out at Revolution Square. "I wish more people around the world would follow his example of how to change things for the better. He has provided us with a good path to follow."

SOME say Guevara's popularity is, in part, because he was a foreigner who devoted himself to Cuba's revolution and the spread of communism worldwide — dying at a young age while pursuing those ideals. He was also an indefatigable guerrilla despite who suffered from asthma and turned to communism after growing up in an eccentric family of Argentine aristocrats.

Since an extended tribute to Guevara began a year ago, the government has saturated the public with news and promotions about him.

In a news conference held this week, Guevera's daughter, Aleida Guevara March, said, "There are many opportunists who are exploiting an image, and that of course is bothersome. But concerning the young men and women who are wearing shirts with his image, we think it means something to them that he can stay with them — and that is good."



Joe Cavaretta/The Associated Press

Some of the several thousand Cubans waiting to get a glimpse of the revolutionary hero's remains in Havana. He 'provided us with a good path to follow,' one said.

Out of Necessity, Cuba Crawls Toward Change

By Larry Rohter
New York Times Service

HAVANA — Faced with the uncomfortable options of moving ahead or turning back, Cuba's Communist Party has seemingly opted to do neither. At a three-day party congress that ended here last week with chants of "Fi-del! Fi-del!" President Fidel Castro and his advisers and followers endorsed policies intended to maintain the status quo for as long as possible.

Since the party hierarchy last gathered in 1991, sheer necessity has forced Mr. Castro to seek foreign investment in state companies, allow some limited self-employment and permit the use of the dollar as a parallel currency. The party congress approved all of those moves, but balked at taking further steps that might open up the economy or reduce government control.

"The state continues having the guiding capacity in directing the economy, and under any formula, therefore, its interests will be adequately represented," proclaims the economic policy statement the congress approved.

The document also supports "space for the functioning of market mechanisms under state regulation" and speaks of the need to "avoid monopolistic prices and unjustifiable profits" that might result from a faster economic opening.

Since returning from a visit to China late in 1995, Mr. Castro has spoken admiringly to visitors about the results of economic changes there and the prosperity they have generated.

But in his closing address to the congress here, he made it clear that he opposed privatizing state enterprises, a step ordered by the Chinese party at its congress last month, or allowing workers who might lose jobs by such an action to set up businesses of their own.

"We have no reason to create millionaires, to create enormous inequalities," Mr. Castro said. As Marxist-Leninists, he added, "we fight not to create individual millionaires, but to make the citizenry as a whole into millionaires."

At a news conference the day before the congress opened, Esteban Lazo Cardenas, the party secretary for Havana and a member of the Politburo, said Cuba could not take the same path as China because "conditions are completely different" here. The Chinese have "an economy based in the countryside," he said, and "there is also a difference of magnitude" that permits China more latitude to experiment economically.

"If we take these steps, how can we keep health, education and public welfare free?" Mr. Lazo asked. "That comes out of the profits of state enterprises."

In addition, he said, China does not have to contend with the hostility of the United States. While some economic experimentation is worth considering, he said, "the blockade and the effort to drown us don't permit that right now."

In Washington, James Rubin, the State Department spokesman, said the tone of the party congress here conveyed "a sense of a certain time warp." Mr. Rubin said of Mr. Castro's 6-hour-43-minute opening address Wednesday that "no matter how many times you play the same old movie, it's not going to change the desires and the needs of the people of the modern world."

Despite growing concerns outside Cuba about a lack of mechanisms to groom possible successors to Mr. Castro, the party proved nearly as cautious on matters of personnel and leadership as in dealing with the economy.

Though eight people were dropped in the reshaping of the Politburo, the party's most powerful deliberative body, its ideological composition and balance of power remain largely unchanged, political analysts here said.

Most of those removed are members of the generation that took power with Mr. Castro in 1959, so-called *historicos* such as Vice President Carlos Rafael Rodriguez, 84, and Osmany Cienfuegos, another longtime associate.

But also stripped of their posts were Nelson Torres, who as minister of sugar is regarded as responsible for the failure of this year's harvest, and Jorge Lezcano, party secretary in Havana when the rafter refugee crisis erupted in 1994.

The six new members include several such technocrats and party bureaucrats. Jose Luis Sierra, a 40-ish provincial party secretary who was among those promoted, described the final result as "a mixture of generations." But Mr. Castro also reaffirmed that his younger brother, Raul, 66, the minister of defense and the party's longtime No. 2 leader, remained his designated successor.

In an unexpected move, the Central Committee's membership was cut to 150 members from 225. Raul Castro said the streamlining, which diplomats said would enhance the Castro brothers' power, should be based "not only on representativeness but skill."

Acapulco's Poor Clamor For Basics After Storm

But President Counsels 'a Little Patience'

By William Claiborne
Washington Post Service

ACAPULCO, Mexico — Recovering after a hurricane, the poorest residents of Mexico's best-known tourist resort angrily confronted President Ernesto Zedillo over the weekend, demanding food and water as beleaguered authorities tried to explain chaotic relief efforts and conflicting fatality reports.

Mr. Zedillo cut short an official visit to Germany and flew here Saturday — three days after the strongest hurricane to hit Mexico's Pacific Coast in decades struck — to meet with disaster relief officials and tour damaged areas.

When victims from the poorest neighborhoods in the hills overlooking the prosperous tourist area on the beach begged for water and food, he said: "I want to ask you for a little patience. We're taking this step by step."

Government food subsidy officials said they were running out of supplies but noted that 30,000 more boxes were due to arrive. Officials also promised 12 portable water purification plants would be delivered Sunday, but residents at shelters said that shortages were still acute.

After touring the coastline in a presidential helicopter and meeting with senior officials at Acapulco's Municipal Building, Mr. Zedillo said the government was doing everything within its power to help victims.

But about 200 protesters gathered outside the building and demanded drinking water, food, blankets and other supplies. They held a large banner saying, "Please, we need drinking water and food." The demonstrators tried to press forward to speak with Mr. Zedillo, but security guards roughly pushed them back as he left the building.

Mr. Zedillo's meeting was briefly interrupted when an opposition federal deputy from Acapulco, Alberto Lopez Rosas, tried to talk with the president about what he said was the government's failure to anticipate the effects of the hurricane designated Pauline and warn residents as it approached the city. Mr. Zedillo would not talk with Mr. Lopez.

Attempts to assess the death toll remained imprecise. Officials said accurate casualty figures in rural areas might not be known for weeks, if ever.

The Mexican Red Cross backed away from its estimate of 400 dead in Acapulco and coastal areas south of the city, which was more than double the figure originally announced by officials of Guerrero state, of which Acapulco is a part.

Nonetheless, disaster officials said that in some remote villages victims might have been buried without state agencies being notified, or entire families could have been lost.

But even taking unreported fatalities into account, a spokesman for the Civil Protection Agency called the Red Cross toll a "mistake," saying that public prosecutors' offices across Guerrero had reported 107 confirmed deaths.

Authorities in neighboring Oaxaca state, where the hurricane first struck Wednesday, with winds that grew to 160 kilometers (100 miles) an hour, reported 29 confirmed deaths.

Acapulco began returning to a semblance of normalcy over the weekend. Quagmires of mud and debris continued to make some streets impassable, but cleaning crews — augmented by army troops using shovels — appeared to be making headway in reopening major thoroughfares.

Brazzaville Says It Repels Invasion From Angola

Compiled by Our Staff From Dispatches

KINSHASA, Congo — The Congo Republic's military high command said Sunday that Angolan troops backing its militia rivals had attacked the country's south, but claimed that they had been pushed back.

"It is true the Angolan Army invaded from Cabinda," a military spokesman said. "They were heading toward Loudima but were scattered by airborne attacks," referring to one of two southern towns rebel forces claimed to have taken.

The spokesman, denying other claims by the militia of the former military ruler, Denis Sassou-Nguesso, said government troops still controlled the international airport in the capital, Brazzaville, and that heavy fighting was continuing in the city center.

He denied that the southern towns of Loudima and Dolisie had been taken by General Sassou-Nguesso's militia, as claimed by its military commander.

"The progress of the rebels has been stopped," the spokesman, a colonel, said. "We have chased them away on several fronts but they have been sending in a lot of artillery rounds."

Fighting in the south, confirmed by an Angolan presidential spokesman in Luanda, triggered panic in the economically strategic region where Western companies, led by Elf Aquitaine of France, have major investments. Businessmen in Congo's oil capital, Pointe-Noire, until now unaffected by a four-month ethnic conflict in Brazzaville, said they were considering evacuating their families.

Diplomatic sources in Kinshasa, the capital of neighboring Congo, previously called Zaire, did not confirm the reports of Angolan involvement but said that unidentified soldiers had attacked Dolisie and Loudima late Saturday night from the Angolan enclave of Cabinda, a piece of Angola wedged between Congo and Republic of Congo.

Loudima is about 230 kilometers west of Brazzaville, with Dolisie a further 50 kilometers to the west.

Dolisie is only a little more than 100 kilometers from Pointe-Noire, the Congo Republic's major port city.

The reports could not immediately be confirmed.

Officials in President Pascal Lissouba's government confirmed that their forces had fought off the attackers. It was not immediately clear if the attacking soldiers were from General Sassou-Nguesso's "Cobra" militia.

President Eduardo Dos Santos of Angola is said to be close to General Sassou-Nguesso.

The reports came one day after Mr. Lissouba spoke briefly to reporters at his presidential palace in Brazzaville, to prove to them that it had not fallen to the Cobras.

"I am home," Mr. Lissouba said in a brief interview, standing midway up a palace stairway while the sound of gunfire echoed in the distance. "You can see that I am home," he said, adding that the airport was under government control.

A visit to the airport confirmed that.

On Friday, the Cobras had claimed to have captured both places. On Sunday, the sounds of battle continued to rage in Brazzaville, as the Cobras continued their offensive there.

On Saturday, Mr. Lissouba's soldiers were obviously in fear of another attack, the latest in a civil war that has divided this country since June. *(Reuters, AP)*

TRAVEL UPDATE

Pilots' Risk: Radiation

TOKYO (Reuters) — Pilots and crews on international flights are exposed to doses of radiation about three times higher than those received by workers at nuclear plants, a Japanese daily reported Sunday.

The Japanese Federation of Flight Crew Unions said that international crews that flew between 700 to 800 hours a year were exposed to an average of three millisieverts of radiation. The average exposure for a technician at a Japanese nuclear plant is one millisievert, the paper reported.

Lufthansa and British Midland Airways announced that they would extend their code-sharing agreement to include flights between London and Dresden beginning Oct. 27. *(Bloomberg)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Bahamas, Belize, Bhutan, Burundi, Canada, Colombia, Guatemala, Honduras, Puerto Rico, United States, Virgin Islands.

TUESDAY: Georgia, Malawi, Yemen, Zaire.

WEDNESDAY: Burkina Faso, French Guiana, Sri Lanka.

THURSDAY: Burma, Israel, Vatican City.

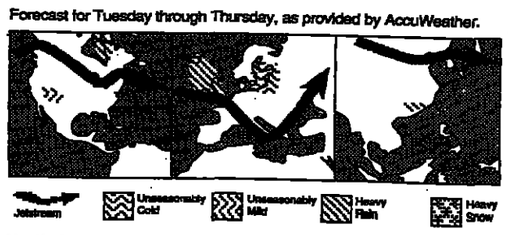
FRIDAY: Haiti, Israel.

SATURDAY: Azerbaijan.

Sources: J.P. Morgan, Reuters, Bloomberg.

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.



North America
Warm with showers in the Northeast Tuesday, then cooler through Thursday. Sunny, hot and dry weather will return to the Southwest, while the Northwest will be mostly sunny and comfortably warm. Sunny and dry in the southern Plains, but humid with showers in the Southeast.

Europe
Partly sunny and nice in London Tuesday, then showers Wednesday. A strong storm will bring wind-driven rain to Ireland and most of England Thursday. Cold in Scandinavia and western Russia with showers of rain and wet snow. Sunny and dry in Spain, but cool with showers in Italy.

Asia
Sunny and nice in Beijing Tuesday, then showers Wednesday and cooler Thursday. It may shower in Tokyo Tuesday, but heavier rains are likely over northern Japan. Otherwise, partly sunny, dry and comfortable in Tokyo and Seoul. Warm and humid in southeastern China with soaking rains.

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather.

All maps, forecasts and data provided by AccuWeather, Inc. © 1997

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	29/73	13/53 s	27/73	15/61 s
Amsterdam	9/48	2/35 r	7/44	2/35 pc
Ankara	23/71	11/52 c	22/71	9/48 c
Athens	29/79	19/66 c	25/77	19/61 pc
Barcelona	19/61	7/44 s	15/59	9/48 s
Belgrade	13/55	4/39 r	12/53	2/35 pc
Berlin	9/48	2/35 sh	4/39	-2/29 pc
Brussels	7/44	1/34 r	7/44	2/35 s
Budapest	12/53	2/35 sh	9/48	1/34 c
Copenhagen	5/48	1/34 sh	3/37	-3/27 pc
Costa Del Sol	29/73	12/53 s	22/71	14/57 s
Dublin	8/48	5/41 s	13/55	8/46 s
Edinburgh	8/46	3/37 c	9/48	7/44 c
Florence	18/64	7/44 pc	12/53	2/35 r
Frankfurt	8/48	1/34 sh	5/41	-3/27 pc
Geneva	5/41	-2/28 sn	6/43	-1/31 pc
Helsinki	4/39	0/32 sn	5/41	-1/31 pc
Istanbul	24/75	18/64 c	23/73	14/57 pc
Kiev	12/53	7/44 r	11/52	3/37 sh
Las Palmas	28/82	20/68 s	28/79	21/70 s
Lisbon	19/66	13/55 s	22/71	16/61 pc
London	7/44	0/32 s	10/50	4/39 s
Madrid	18/64	6/43 pc	20/68	8/46 s
Mallorca	19/66	8/46 pc	18/64	8/46 pc
Milan	14/57	3/37 pc	11/52	1/34 sh
Moscow	12/53	11/52 c	15/59	8/46 r
Munich	6/43	1/34 sn	3/37	-5/24 c
Nice	17/62	7/44 s	14/57	6/43 s
Oslo	7/44	-0/32 c	3/37	-2/29 pc
Paris	8/46	0/32 c	8/46	3/37 s
Prague	7/44	3/37 sh	4/39	-4/25 c
Reykjavik	7/44	0/43 r	12/53	4/39 r
Riga	9/48	3/37 sh	8/46	-1/31 pc
Rome	20/68	9/48 s	15/59	6/43 r
St Petersburg	7/44	3/37 sh	8/46	3/37 c
Stockholm	6/43	-1/31 c	3/37	-3/29 pc
Strasbourg	8/46	2/35 sn	6/43	-2/29 c
Tallinn	7/44	2/35 c	6/43	-2/29 sn
Tbilisi	24/75	13/55 c	24/75	17/62 c
Venice	15/59	7/44 pc	10/50	2/35 sh
Vienna	11/52	2/35 c	6/43	-1/31 pc
Warsaw	9/48	2/35 r	6/43	-3/27 pc
Zurich	5/41	2/35 sn	4/39	-2/29 c

Middle East

Abu Dhabi	38/100	22/71 s	37/98	21/70 s
Beirut	29/84	22/71 s	30/86	24/75 pc
Cairo	38/97	22/71 s	33/91	21/70 pc
Damascus	32/89	12/53 s	32/89	16/61 s
Jerusalem	28/82	15/59 s	27/80	17/62 pc
Luxor	36/97	18/64 s	37/98	17/62 s
Riyadh	37/98	15/59 s	36/97	20/68 s

Africa

Algiers	22/71	10/50 c	23/73	12/53 s
Cape Town	19/66	13/55 c	18/66	10/50 pc
Casablanca	25/77	14/57 s	25/77	17/62 sh
Harare	25/70	9/48 pc	25/77	12/53 pc
Lagos	30/86	23/73 pc	28/82	24/75 c
Nairobi	23/82	14/57 c	23/82	13/55 pc
Tunis	25/77	15/59 pc	22/71	11/52 pc

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Almaty	18/64	5/41 pc	19/66	6/46 s
Bali	31/88	20/68 pc	31/88	21/70 s
Bangkok	32/89	23/73 r	32/89	24/75 pc
Beijing	22/71	9/48 s	19/66	9/48 s
Bombay	31/91	23/73 s	32/89	21/70 s
Calcutta	30/86	21/70 pc	29/84	21/70 pc
Chiang Mai	31/88	21/70 c	30/88	22/71 c
Colombo	28/82	24/75 sh	28/82	23/73 c
Hanoi	30/86	24/75 c	29/84	23/73 c
Ho Chi Minh	32/89	24/75 pc	31/88	24/75 pc
Hong Kong	28/82	23/73 pc	27/80	23/73 pc
Islamabad	34/93	14/57 s	32/89	13/55 t
Jakarta	31/88	22/71 pc	31/88	23/73 pc
Karachi	39/100	23/73 s	37/98	20/68 s
K Lumpur	32/89	22/71 sh	31/88	23/73 r
K. Kinabalu	31/88	23/73 pc	32/89	24/75 r
Manila	31/88	23/73 pc	31/88	24/75 pc
New Delhi	31/88	17/62 pc	31/88	14/57 sh
Phnom Penh	31/88	24/75 pc	30/86	24/75 c
Phuket	32/89	23/73 r	32/89	24/75 pc
Rangoon	31/88	23/73 pc	29/84	23/73 pc
Seoul	23/77	11/52 pc	19/66	5/41 pc
Shanghai	25/77	17/62 s	22/71	13/55 pc
Singapore	29/84	21/70 r	31/88	23/73 pc
Taipei	27/80	21/70 pc	27/80	21/70 c
Tokyo	19/66	13/55 s	19/66	17/62 pc
Vientiane	31/88	21/70 c	30/86	23/73 c

North America

Anchorage	5/36	-4/18 pc	2/35	-3/29 sn
Atlanta	27/80	18/61 pc	23/73	11/52 pc
Boston	18/66	11/52 pc	19/66	9/48 pc
Chicago	20/68	3/37 sh	19/66	3/37 pc
Dallas	29/68	4/39 s	29/68	8/46 s
Denver	14/57	1/34 s	21/70	4/39 s
Detroit	23/73	11/52 pc	13/55	2/35 pc
Honolulu	30/86	23/71 pc	30/86	22/71 pc
Houston	29/70	9/48 t	20/68	9/48 pc
Los Angeles	31/88	11/52 s	34/93	14/57 pc
Miami	29/84	24/75 pc	31/88	24/75 pc
Minneapolis	11/52	-5/24 sh	8/46	2/35 pc
Montreal	22/71	12/53 pc	22/71	7/44 sh
Nassau	30/86	23/73 pc	31/88	23/73 sh
New York	23/71	14/57 s	22/71	11/52 pc
Orlando	31/88	21/70 s	31/88	20/68 pc
Phoenix	39/84	14/57 s	33/91	17/62 s
San Fran.	23/73	11/52 s	20/70	12/53 s
Seattle	15/59	9/48 sh	17/62	9/48 pc
Toronto	24/75	13/55 pc	17/62	0/32 sh
Vancouver	11/52	11/52 r	17/62	10/50 pc
Washington	24/75	14/57 s	23/73	9/48 pc

Latin America

Buenos Aires	21/70	13/55 pc	22/71	13/55 pc
Caracas	30/86	21/70 pc	31/88	22/71 pc
Lima	20/68	17/62 c	22/71	17/62 pc
Mexico City	19/66	11/52 c	22/71	10/50 pc
Rio de Janeiro	28/82	21/70 pc	28/82	22/71 pc
Santiago	18/61	4/39 r	18/61	0/32 pc

Oceania

Auckland	20/68	13/55 pc	16/61	9/48 c
Sydney	22/71	14/57 s	23/73	14/57 s



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THE AMERICAS

Halving of Burglaries Lowers U.S. Property Crime Rate to a Global Norm

By Fox Butterfield
New York Times Service

SAN DIEGO — With little public notice, property crime in the United States has fallen sharply since 1980, data from the FBI show, with burglary rates down by almost half. That gives New York a lower burglary rate than London, and Los Angeles fewer burglaries than Sydney.

The drop in property crime — burglary, larceny and auto thefts — has been obscured by the high level of violent crimes like murder and robbery, which spur calls for tougher sentencing laws.

The drop in property crime — which outnumbers violent crime by 7-to-1 — has been so large that the Netherlands, Australia, New Zealand and Canada now have overall crime rates as high as that of the United States and just as many criminals per capita, said Professor Franklin Zimring, director of the Earl Warren Legal Institute at the University of California at Berkeley.

Some explanations for the fall in property crime are similar to those given by law-enforcement officials and criminologists for the drop in violent crime in the past several years — improved police tactics, a decline in the teenage population, greater community involvement and longer prison sentences.

A number of experts also cite the greater use of alarm systems and what many see as a crucial element: the switch from heroin to crack cocaine among street criminals. Crack, unlike heroin, produces a brief, intense high, creating an incessant need for cash, while burglary is time-consuming and generates stolen goods that must still be sold to get money.

"One of the most remarkable things about the decline in burglary is that it is so substantial that it is unprecedented in magnitude compared to any other fluctuation in crime rates over the last century," said Scott Decker, a criminologist at the University of Missouri at St. Louis and an author of "Armed Robbers in Action: Stickups and Street Culture."

Though the decline in property crime has occurred throughout the United States, nowhere has it been greater than in San Diego. From 1980 to the end of 1996, the burglary rate in San Diego plunged 68 percent and the larceny rate fell 37 percent, according to police department figures. Larceny includes petty thefts like shoplifting, pickpocketing and automobile break-ins.

Motor-vehicle thefts, the third major type of property crime counted by the FBI in its annual crime reports, have declined 61 percent in San Diego since reaching a record high in 1989.

Jerry Sanders, San Diego's police chief, is careful not to claim credit for the huge drop in crime. "It's happening in so many different cities that are doing so many different things," he said. "I think it is hard to put your finger on what's causing the decline."

But in addition to the oft-cited causes for the drop, Chief Sanders has his favorite theory: "As the crime rate comes down, it is starting to bring people with it," he said. "They are starting to realize they themselves can do something about it, so we have lots of citizens out solving problems on their own."

Volunteers are essential to Chief Sanders's new style of community-oriented policing, especially because San Diego, with only 1.7 police officers per thousand residents, has the lowest ratio of officers per capita in the nation. New York, by comparison, has 5.2 officers per thousand and Washington has 6.84.

In what law-enforcement experts say is a major national trend, San Diego has 8,000 volunteers who assist its 2,036-member police force, including 3,000 people who patrol their neighborhoods in their cars on weekend nights.

Mr. Zimring said he thought the drop in property crime underscored a fundamental point about the U.S. crime problem that is widely misunderstood.

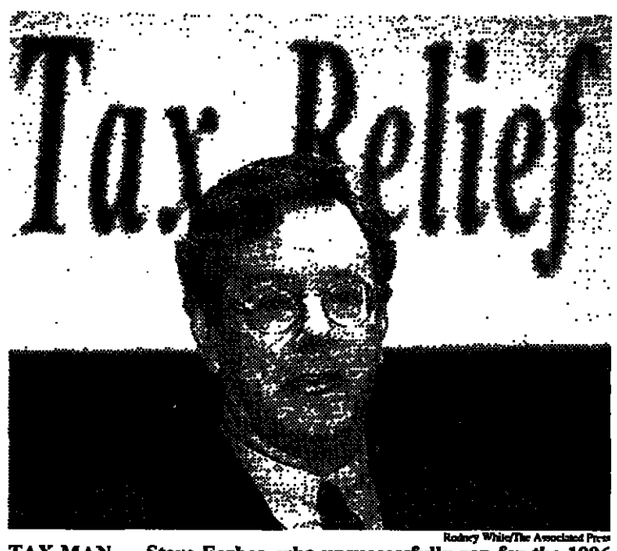
"What we have is not a crime problem," he said, "but a problem of lethal violence, which is a special issue, utterly distinct from the processes that determine how much car theft or burglary we have."

London and New York have nearly the same population, he said, but London has 66 percent more thefts and 57 percent more burglaries than New York. Yet London has a robbery rate only one-fifth that of New York and a murder rate only one-tenth of New York's.

Virtually all the industrial democracies had huge increases in property crime from 1960 to 1990, ranging from 177 percent in Germany to 600 percent in Italy, but in several countries the homicide rate fell during those decades.

Among the reasons for the widespread upturn in property crime in those countries, Mr. Zimring said, are rising affluence, which creates more property to steal, better police reporting, and a larger number of women working, leaving fewer people at home to deter burglars.

Tax Relief



Rodney White/The Associated Press

TAX MAN — Steve Forbes, who unsuccessfully ran for the 1996 Republican presidential nomination and whose platform was based on a flat tax, speaking at a meeting of Iowans for Tax Relief.

AMERICAN TOPICS

Bottling Moose Drool Can Get You Into Trouble

Microbreweries have been busting out all over, proving so popular that one tongue-in-cheek television ad for Miller, one of the nation's biggest brewers, urges viewers to give a "good old macrobrew" a chance.

Anyway, with 1,300 microbreweries across the country, it is getting harder to name a beer without hiring a lawyer first. Consider the case of Big Sky Brewing Co. of Missoula, Montana, which offered an ale called Whistle Pig Red when it opened in 1995. Oops. There were already two Whistling Pig microbrews on the market.

Big Sky dropped the name. But even the improbable name it chose for a new brown ale, Moose Drool, got it in trouble, reports The New York Times. Moosehead Breweries Ltd. of Canada informed Big Sky that it owns the Moose family of names.

Big Sky, however, decided to draw a line in the suds there and defend the trademark. One Drool drinker sent a postcard to ask Moosehead to leave Big Sky alone. "If I can't drink Moose Drool," he wrote, "I'll die." With drinkers so loyal, no wonder Big Sky decided to fight.

Short Takes

In Arkansas, the cost of a phone call — 10 cents for decades — is about to rise. Pay phone calls long ago rose to a quarter in most of the country. Now deregulation of pay phone calls has reached Arkansas, and most carriers are set to boost rates, saying a dime does not cover their costs. But Arkansas is poorer than most states, and fewer people have cellular phones. No one seems happy about the increase. "I always carried a dime in my shoe," said Susan Baugh of Jonesboro. "You can't really carry 35 cents in your shoe."

One Stanley Stetzer tells The New York Times of this recent experience in a bagel bakery: When he entered early one Sunday, he did not immediately notice that all the customers were bunched against the wall until a voice by the cash register told him to join them. He then noticed a man with a gun in one hand and a paper bag filled with the cash register money in the other. After the man fled, Mr. Stetzler approached the counter and asked if he could still get bagels. "I hope," the salesperson replied, "you have exact change."

Brian Knowlton

Republicans Wary of Spotlight on Finance Reform

By Richard L. Berke
New York Times Service

WASHINGTON — After months of tales about how fat-cat donors slept in the Lincoln Bedroom and mingled at (videotaped) coffees at the White House, and how the president and vice president played central roles in the interminable hunt for donations in the 1996 campaign, it may seem that Republicans have the upper hand on the issue of campaign finance.

Instead, many Republicans are increasingly worried that their public relations drive to denounce President Bill Clinton and his fund-raising tactics could backfire and even cause them damage in next year's congressional elections.

That's because they could end up getting what they wanted: the public's attention.

Struggling to balance two contradictory goals, Republicans are in a bind. They want to tar Mr. Clinton and Vice President Al Gore as having driven the Democrats to flagrant campaign abuses. Yet many Republicans do not want to change a system that they have exploited at least as well as the Democrats. In any case, they lack consensus over which change would be for the better.

If Republicans spark a public outcry against the campaign finance practices that the Democrats perfected in 1996, they could weaken Mr. Clinton politically and, perhaps more important, threaten Mr. Gore's presidential prospects. But that very outcry also could create pressure for the Republicans who control Congress to change a system that has benefited them, too.

Consider the recent testimony of Roger Tamraz, the pipeline promoter who

NEWS ANALYSIS

was not shy about testifying that he expected to win special treatment for contributing hundreds of thousands of dollars to Democrats.

When Mr. Tamraz testified, the public finally seemed to be paying attention, and his testimony may have prodded lawmakers to talk more about reform. Though Republicans skillfully used Mr. Tamraz to dirty up the White House, they risked drawing so much attention that more people may want Congress to correct the problem than to point fingers.

And that seems to be the last thing Republicans want. Last week, the Senate Republican leader, Trent Lott, and his allies sounded positively gleeful that they had managed to block, at least for now, consideration of the leading campaign finance bill, sponsored by Senators John McCain, Republican of Arizona, and Russell Feingold, Democrat of Wisconsin. The bill would ban unregulated soft money, which goes to political parties rather than directly to candidates.

While Republicans risk looking like obstructionists, Democrats — Mr. Clinton included — speak with new passion about reform. In part to deflect attention from the Democrats' own practices last year, the party has rallied around the McCain-Feingold bill (though a weakened version of it). That's left some Republicans wondering whether their party missed a prime opportunity.

"It's damaging for us to be condemning some practices that are obviously not just illegal but clearly improper but not yet attempting to do something about it," Mr. McCain said. "In all candor, I think the Democrats have positioned themselves very well."

Senator Arlen Specter, Republican of Pennsylvania, who is seeking re-election next year and who signed onto Mr. McCain's bill late last month, said the Republican assaults on Mr. Clinton properly "elevate the seriousness of the issue" of reform but have the effect of creating "a potential political downside for Republicans."

Linda DiVall, a Republican pollster, described Mr. McCain's bill as Draconian yet shared his political concerns. "We would have a much greater opportunity to control the agenda and be in a much stronger position perceptually," Ms. DiVall said, "if we had a plan that was seen as a serious attempt to clean up the system."

Representative Martin Frost, Republican of Texas, chairman of the Democratic Congressional Campaign Committee, and Representative Vic Fazio, Democrat of California, chairman of the House Democratic Caucus, are blunt in saying that eliminating soft money would diminish the prospects of Democratic congressional candidates in many states.

Mr. Frost declared recently that a ban on soft money "would have the ultimate effect of destroying the political party system in this country."

Some Republicans say it doesn't matter. Their hope is that if voters focus on the issue, they will punish Democrats for their behavior — not Republicans for their failure to find a solution.

"I'll put the Clinton-Gore-Johnny Chung-Buddhist-monk-Chinese-arms-dealing-Teamster money-laundering scams up against Republican opposition to Feingold-McCain any day," said Michael Murphy, a Republican strategist. "If the public tunes in, we'll win that battle because we're the party of misdemeanors and they're the party of felonies on campaign finance." (Polls show that most people think both parties are guilty of abuses, though the Democrats slightly more so.)

Even as the McCain-Feingold measure founders, some Democrats are seizing on the issue.

Rick Phelps, who is running in a Democratic primary for Congress in Wisconsin, called on his primary opponents to ban soft money. "We don't have to wait for Congress to show leadership," he said. His opponents have opted to play by the current rules.

POLITICAL NOTES

Clinton Vetoes Ban On Late Abortions

WASHINGTON — President Bill Clinton has vetoed legislation that would ban a form of late-term abortion, squaring off for a political fight that Republicans hope will help sustain their congressional majorities in the 1998 elections.

Mr. Clinton did not announce the veto, but issued a written statement late Friday.

Mr. Clinton said that he did not support this kind of late-term abortion on an elective basis but that women could face situations that required it. The ban contains an exemption to save the life of the mother, but Mr. Clinton repeated his previous pleas for an exception for women whose health is seriously threatened.

"I understand the desire to eliminate the use of a procedure that appears inhumane," he said. "But to eliminate it without taking into consideration the rare and tragic circumstances in which its use may be necessary would be even more inhumane."

He also said the measure was unconstitutional. *(NYT)*

Battle Lines Drawn Over Line-Item Veto

WASHINGTON — Congress departed late last week for a 10-day Columbus Day recess, leaving behind scores of old unresolved spending issues and a big new one: President Clinton's line-item veto authority.

Two weeks into the new fiscal year, Congress has cleared only seven of the 13 annual spending bills. But the congressional uproar over Mr. Clinton's use of the line-item veto last Monday to strike 38 projects from a $9.2 billion fiscal 1998 military construction spending bill has added a controversial and complicated new layer to the budget process.

"Basically, this is a political arms race between the two branches," said Allen Schick, a budget expert with the Brookings Institution. "It's not clear who will win at the end."

Quote/Unquote

Hillary Rodham Clinton, whose daughter, Chelsea, started college recently, and whose schedule calls for her to spend just two or three nights at the White House in the next month, asked if she was avoiding the empty nest at home: "You can't know it's empty if you're not there." *(WP)*

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THE WORLD'S DAILY NEWSPAPER

Saturn Probe Set to Rise Above Protests

By Kathy Sawyer
Washington Post Service

WASHINGTON — A campaign by anti-nuclear activists failed to halt plans for the launch Monday of a plutonium-powered mission to explore Saturn, but it revived public debate on the safety of nuclear-powered spacecraft.

Opponents of the launching of the National Aeronautics and Space Administration's Cassini spacecraft warned that the mission was dangerous. They say that an accident could produce lethal radioactive debris and that the government was not telling the truth about the risks.

The mainstream view expressed by many experts, however, was that the risks in this case were small.

"NASA and its interagency partners have done an extremely thorough job of evaluating and documenting the safety of the Cassini mission," said John Gibbons, director of the White House science office, who on Friday signed the White House approval for the launch.

Cassini, scheduled for launching at 4:55 A.M. Monday, is powered by three Radioisotope Thermoelectric Generators — devices that will rely on the natural radioactive decay of 72 pounds (33 kilograms) of plutonium-238 to provide heat that can be converted to electricity.

The same power systems have flown safely on about two dozen U.S. missions with the approval of six administrations since the 1960s. These are not nuclear reactors like one aboard a Soviet spacecraft that crashed in Canada years ago, scattering radioactive debris.

The generators provide the only power supply that is practical for missions far from the sun, according to space flight engineers. Using even the most advanced solar power technology, they say, would require impossibly massive solar "wings" bigger than two tennis courts.

Although the plutonium aboard Cassini is potentially toxic, it is not weapons-grade plutonium and cannot explode. The material could be safely held in your hands, experts say.

Like other radioactive elements that occur naturally in soil, rock and food, this type of plutonium is relatively harmless unless a tiny particle is inhaled and lodges in lung tissue, or is otherwise trapped inside the body where it emits radiation for a prolonged period, the experts say. Such a "hot spot" may increase the chance of getting cancer, according to Otto Raabe of the University of California at Davis.

John Gofman, a former associate director of the Lawrence Livermore National Laboratory and now a leading critic of Cassini, however, asserted there was no "safe" level of radiation and that a Cassini accident could increase cancer deaths by up to 40,000 over 50 years.

Concerns like Mr. Gofman's have prompted public protests and are being disseminated on the Internet.

Opponents said there were three opportunities for a potentially lethal accident: during launching, right after launching and in 1999 when Cassini returns for a swing past Earth on its looping, seven-year voyage to Saturn.

The chances of a launching pad accident involving Cassini's unmanned Titan booster rocket are 1 in 20, based on the track record. But NASA says the chances are much smaller that an accident will result in release of plutonium in any form.

Government and independent safety analysts also estimated that it is not likely that an accident will occur in 1999, when Cassini is due to whiz past Earth at a velocity of 43,000 miles per hour (68,000 kilometers per hour) at a distance of at least 500 miles. They estimate there is about a one in a million chance of a "worst case" accidental re-entry into Earth's atmosphere in which the craft's shielding would melt and the plutonium would vaporize.

Numerous steps have been taken to try to eliminate the chance that inhalable particles of the plutonium could be released — even in an explosion, an inadvertent re-entry into the atmosphere or a high-speed impact, officials said.

Away From Politics

- **Federal prosecutors** have arrested the president of a freight forwarding company in Miami and accused him of trying to illegally ship as passenger baggage 500 pounds (225 kilograms) of a corrosive pesticide on a passenger jet. *(NYT)*
- **The lead investigator** in the Christmas Eve murder of JonBenet Ramsey, the 6-year-old child beauty pageant star, has been removed from the case, Chief Tom Koby of the Boulder, Colorado, police announced. *(WP)*
- **A former FBI official** has been sentenced to 18 months in prison for destroying an internal critique of the deadly FBI siege at Ruby Ridge, ordering an aide to wipe out all traces of the report, and then lying about it to investigators. *(WP)*

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U.S. Group Urges India To Ease Kashmir Policy

Scholars Seek an End to Guerrilla War

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — India's seven-year military occupation of the mostly Muslim Kashmir Valley should be eased as a first step toward ending a guerrilla war in the disputed territory and reducing tensions with Pakistan, a group of American scholars and former diplomats has said.

The group, which recently visited Kashmir — the mountainous region that the Islamic Mughal emperors once called paradise on Earth — warned in a report last week that a pervasive and "powerful sense of alienation with India" was gripping the area.

"From people you could call members of the Kashmir Valley establishment," one of the visitors, Howard Schaffer, said, "we kept hearing this phrase: 'We're not being treated like human beings.'"

Mr. Schaffer, director of studies at Georgetown University's Institute for the Study of Diplomacy and a former State Department official in charge of South Asian affairs, made his remarks at a news conference here.

The group's members called on India to reduce its military presence, which is estimated at 500,000 to 700,000 army and paramilitary fighters.

They also urged India to begin talking with dissident Kashmiris. Some of the dissidents have been waging a war for independence since late 1989, while others have joined unarmed political movements demanding greater autonomy within India.

Over the years, human-rights groups have reported tortures, disappearances and killings of dissidents and sometimes of bystanders as a result of shootouts with Indian troops. Estimates of the death toll since 1989 in the region, which has a population of about 7 million, range from 20,000 to 60,000.

The issue of Kashmir is resurfacing in part because India wants a permanent seat on the UN Security Council.

President Bill Clinton's administration has said it would like to see the council expanded from 15 members to perhaps 20, with the number of permanent memberships — which now carry a veto power — increased to 10 from five.

The current permanent members are Britain, China, France, Russia and the United States. Plans call for permanent memberships to be accorded to Germany, Japan and three nations from the developing world. India believes that it should be given the seat informally designated for an Asian nation, with the others expected to go to an African and a Latin American member.

Predominantly Muslim Pakistan, which since the end of British rule on the Indian subcontinent in 1947 also has occupied part of the former kingdom of Kashmir, intends to raise the Kashmir issue at the United Nations as it questions India's bid for Security Council membership.

Like Indonesia's incorporation of East Timor in the mid-1970s, India's claim to what it regards as its part of Kashmir has never been recognized internationally. India has refused to heed UN Security Council resolutions passed in 1948 and 1949 calling for a plebiscite among Kashmiris.

When the long-simmering Kashmir Valley erupted in rebellion late in 1989, India quickly accused Pakistan of fomenting unrest and arming militants. Pakistan has never denied that help was crossing its border, but it has denied official involvement, maintaining that aid has come from Muslims outraged by human-rights abuses in the valley.

In their report, the Americans recommend that the people of Jammu and Kashmir, India's only Muslim-majority state and one that also includes a large Hindu population and many Buddhists, be "formally and meaningfully included in the negotiations." The report says that the government elected in the state in 1996 has little credibility or respect in the valley.

India has refused to talk to the dissident Kashmiris and has prevented them from traveling abroad to present their case, most recently this autumn, when a delegation planned to come to the United Nations.

India also bars virtually all human-rights groups from the valley.

Early last week, after receiving the report from the American group, India announced that it would pull back some troops.

But reports from Kashmir indicated that although an unknown number would be withdrawn from towns and relocated on their outskirts, they apparently would not leave the region.

The American team included Ainslie Embree, professor emeritus at Columbia University and former director of its Southern Asian Institute, and three other professors: Charles Kennedy of Wake Forest University, Joseph Schwartzberg of the University of Minnesota and Robert Wirsing of the University of South Carolina.



Agence France-Presse

NO APOLOGIES — Police firing water cannon in New Delhi at demonstrators who gathered to denounce Queen Elizabeth's visit to India and to demand acknowledgment of a colonial massacre in 1919.

Poor Nations Face Economic Enslavement, Mahathir Says

By Thomas Fuller
International Herald Tribune

KUALA LUMPUR — Prime Minister Mahathir bin Mohamad warned over the weekend that developing countries could be enslaved economically by their former colonizers, and sought to clarify his remarks about the role of Jews in attacks on his country's currency.

Developed countries "try to colonize by using their economic wealth and power to enslave us again," the official Bernama news agency quoted the prime minister as saying Sunday.

"Already many countries have been forced to give in to this new form of colonization, but thank God we have not bowed to them yet," he said, touching on a theme he has repeated throughout the economic crisis shaking the region.

Also over the weekend, Mr. Mahathir said his comments on Jews had been misinterpreted by the press.

"I only made a statement, but the press went on to say that I was accusing the Jews," he said. "We cannot make wild accusations," Mr. Mahathir was quoted by Bernama as saying. "They will twist our arms," he said, apparently referring to Jews. "We are not making any accusations, and will never make any accusations."

"Please don't make things difficult for me," he told reporters. "If I am in difficulty, I don't mind; if they attack our currency, it will fall," Mr. Mahathir said. "The Jews are a very strong race. They are the strongest race in the world."

The prime minister said he had "merely stated" that the American financier George Soros was Jewish. Mr. Mahathir has repeatedly accused Mr. Soros of being instrumental in touching off the region's currency crisis.

In comments carried by Bernama on Friday — and published on the front pages of the country's two largest Malay-language newspapers — Mr. Mahathir was quoted as saying he suspected there might be a Jewish agenda behind the attacks on Malaysia's currency and stock market.

"We are Muslims, and the Jews are not happy to see Muslims progress," Mr. Mahathir was quoted by Bernama as saying. "We may suspect that they have an agenda, but we do not want to accuse them."

Bernama also quoted Mr. Mahathir as saying that Jews had robbed Palestinians of everything, but that in Malaysia they could not do so, and hence they depressed the ringgit, Malaysia's currency.

The comments were also carried by the country's English-language papers, with the exception of the broadsheet New Straits Times, which featured a front-page story titled: "Tackling Obesity Among Children."

Opposition leaders in the country criticized Mr. Mahathir's comments about Jews. "He is treading on dangerous ground," Abdul Razak Ahmad, deputy chairman of the Parti Rakyat Malaysia, an opposition party, told Reuters. "I didn't expect this, coming from him. He should be more careful about what he says as things may get out of hand."

Mr. Mahathir made the comments to a crowd of about 10,000 supporters in Trengganu, a Muslim-dominated state on the east coast of peninsular Malaysia.

Mr. Mahathir's comments about speculators in general — and Mr. Soros in particular — started in July, after the de facto devaluation of the Thai baht, which sent currencies in the region tumbling and knocked the ringgit from its dollar peg.

In a bid to shore up the stock market, Mr. Mahathir imposed restrictions on trading, announced a $20 billion bail-out fund and, most recently, called for a ban on currency transactions not directly related to trade.

Pyongyang Reneges On UN Monitoring

Washington Post Service

WASHINGTON — North Korea has not kept its pledge to allow more than a dozen UN personnel to monitor how foreign food aid is being distributed inside the isolated country, a circumstance that has forced the Clinton administration to threaten to withhold future food aid, according to a senior U.S. aid official.

The official, Leonard Rogers, an assistant administrator at the Agency for International Development who visited North Korea last week, said that neither the United Nations nor the United States had found evidence that U.S. and UN food aid meant to reach starving children or the elderly was being pilfered or diverted to the military.

In response to UN appeals, Washington has given or pledged 177,000 tons of food aid to North Korea this year, with a final shipment of 25,000 tons scheduled to arrive by ship Tuesday. Mr. Rogers said Pyongyang promised this summer that it would allow 17 UN personnel and five members of private humanitarian organizations into the country to monitor distribution of the aid.

But North Korean officials so far have admitted only seven UN monitors, blocked full access to kindergartens and primary schools and failed to agree with the private monitors "on the duration of their stay and access to areas they want to work," Mr. Rogers said.

BRIEFLY

Delhi and Moscow Extend Military Pact

NEW DELHI — India and Russia have agreed to extend a long-term program of military and technical cooperation, India's defense minister said Sunday.

The official, Mulayam Singh Yadav, returning from a five-day trip to Russia, said the two countries had agreed in principle to extend the agreement, initially signed in 1994 and limited to the year 2000, to the year 2010.

The accord covers military supplies and relations, technical collaboration, exchange of specialists and experts. Details are to be made final later. *(Reuters)*

China Faces Burden Of Many Retirees

BEIJING — China will face a major problem in the next century when the baby-boomers born under Mao Zedong in the 1950s reach retirement age, demographers said Sunday.

A relatively smaller work force produced by the one-child policy of the 1970s and 1980s will have to struggle to support a growing number of retirees born during the population explosion under Mao.

"China will have hundreds of millions of people over the retirement age," John Caldwell, an Australian demographer, said during a demography symposium. *(Reuters)*

Spain Blocks Visit By Taiwan Official

TAIPEI — Under pressure from China, Spain has blocked an unofficial visit by Taiwan's vice president at the last minute, media here said Sunday.

China, which considers Taiwan a rebel province, warned European nations on Tuesday of "very grave consequences" if Vice President Lien Chan of Taiwan were allowed to visit. Mr. Chan is now in Austria after a visit to Iceland. *(Reuters)*

16 Die Near Dhaka

DHAKA, Bangladesh —At least 16 people were killed Sunday and more than 100 others were injured by a tornado in the town of Tongi, 20 kilometers (12 miles) from Dhaka, officials said. *(Reuters)*

FAMINE: *Enigmatic North Korea Proves a Tough Place to Quantify a Crisis*

Continued from Page 1

million different versions.

At one extreme, there are reports filtering out of North Korea into China that the famine is so severe that people are dying in huge numbers or turning to cannibalism. One informal survey of refugees suggested that in some North Korean towns 15 percent of the people may already have died, and an aid agency extrapolated last month that 500,000 may have died of starvation and related illnesses.

At the other extreme, a North Korean defector charged last month that the famine is a sham concocted to get more foreign aid.

Ethnic Koreans are often the best able to talk to ordinary North Koreans and assess conditions among their relatives. Many say the situation is grim but still far better than the hunger they remember in both Koreas during the 1950s.

"It is a situation that is very bad, but Koreans will live, because we've gone through the war," said Jung Sook Koh, a Korean-American who grew up in Seoul in the postwar years. "We were raised in that and here we are."

"It's not as if the whole country will die of starvation," she added. Miss Koh delivered food aid to North Korea several years ago and has visited since, including this year. "When I visit North Korea, everything reminds me of my childhood life, so it's bad for sure, and everything is lacking. But they will live."

Kim Myong Chol, an unofficial North Korean spokesman in Tokyo, argues that part of the discrepancy is a matter of what one is accustomed to. "From an American point of view," he said, "it's serious, critical, a famine situation. By North Korean standards, it's very bad, but still not so critical."

There is no doubt that there is some severe malnutrition in North Korea, for aid groups have taken wrenching photos of children who seem to be starving to death, and everyone acknowledges that there have been some hunger-related deaths. The uncertainty is about the scale and whether it is better or worse than in other developing countries.

Partly because many visitors see no signs of hunger, they sometimes say that aid groups are exaggerating the crisis to get more contributions. But on the other hand, the history of China demonstrates that it is possible for a totalitarian country to hide a famine from visitors.

From about 1958 to 1961, China endured the worst famine in world history, leading to about 30 million deaths. Yet a string of visitors at the time roamed the country and concluded that there was no famine at all. If that parallel holds, then North Korea might be undergoing a crisis every bit as severe as the pessimists describe.

One explanation for the different versions of reality might be geographic variation. It may be that grain is getting to people in most parts of the country, those accessible to trucks and aid workers, but that there are pockets of famine in the mountains, particularly those in the north near China. That might also help account for why refugees in China describe conditions that are so desperate.

Partly because the evidence of distress is anecdotal rather than rooted in statistics, it is difficult to compare it with data from other countries. A World Food Program survey of 4,000 North Korean children, not a representative sample, found 17 percent suffering from serious malnutrition. By comparison, World Bank data suggest that in India in the early 1990s, 43 percent of children were malnourished; some visitors say countries like India are chronically in worse shape than North Korea is now.

Ellsworth Culver, a senior vice president of Mercy Corps, an Oregon-based aid group, just emerged from his seventh trip to North Korea, where he saw some severely malnourished children. But when he was asked to compare what he had seen with India, Mr. Culver immediately responded: "India is far worse."

But he then emphasized that it is difficult to make such comparisons because so much is unknown about North Korea and because it is vulnerable to a sharp deterioration.

By almost all accounts, the present stocks will run out again in the winter or spring, and North Korea will then once more need foreign help.

"It's not horrible right now because action is being taken," Mr. Culver said, referring to the roughly 800,000 tons of food aid sent to North Korea since early this year. "But if action is not taken, then it will get visibly worse."

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China Detains Bishop, Catholic Group Says

By Seth Faison
New York Times Service

BEIJING — Supporters of the underground Roman Catholic movement in China said over the weekend that the authorities had detained Bishop Su Zhimin, a prominent church leader who has repeatedly defied government attempts to control religious worship.

Joseph Kung of the Cardinal Kung Foundation in Stamford, Connecticut, a group advocating religious freedom in China, said that Bishop Su was taken into custody last Wednesday in Xinji, a town in Hebei Province about 320 kilometers (200 miles) south of Beijing.

An official at the Public Security Bureau in Hebei said no information was available about Bishop Su, 65.

Because the issue of religious freedom is so sensitive in China, and because law enforcement authorities are so secretive, information concerning underground Catholics is often hard to confirm.

Yet Bishop Su's disappearance adds another sensitive political issue to the array of obstacles faced by President Jiang Zemin when he visits the United States later this month. Mr. Jiang is scheduled to meet members of Congress, many of whom have raised concern about religious freedom in China.

Chinese citizens theoretically may worship freely, although in practice Communist Party authorities insist that religious groups operate only with the approval of local officials.

Some Catholic churches function within those confines, administered by an organization called the Chinese Catholic Patriotic Association, which answers to Beijing rather than to the Vatican. Catholics who insist on being loyal to the Pope can only operate underground, and their number is difficult to estimate.

International religious organizations say that the number of underground Catholics has been growing in recent years, and ranges between 8 million and 10 million.

هكذا من الأصل

EUROPE

French Doctors Join In Apologies to Jews

The Associated Press

PARIS — The head of the French medical association has apologized for his profession's support of wartime laws during the German occupation that barred Jewish doctors from practicing, and he called for freer access to wartime archives.

Bernard Glorion, president of the Order of Doctors, which represents 180,000 members nationwide, said the physicians regretted "the barbarity some of our colleagues and their families lived through."

French Roman Catholic leaders, lawyers and a police union have apologized for their ties with the government of Vichy France.

The apologies preceded the current trial of a former Vichy police official, Maurice Papon, who is accused of having ordered the deportation of more than 1,500 Jews to Nazi death camps.

Dr. Glorion noted Saturday that, from 1940 to 1942, most Jewish doctors were prevented from working after they were reported to officials by their colleagues.

In 1941, a law by the Vichy regime restricted the number of Jewish physicians who could practice to 2 percent of all doctors.

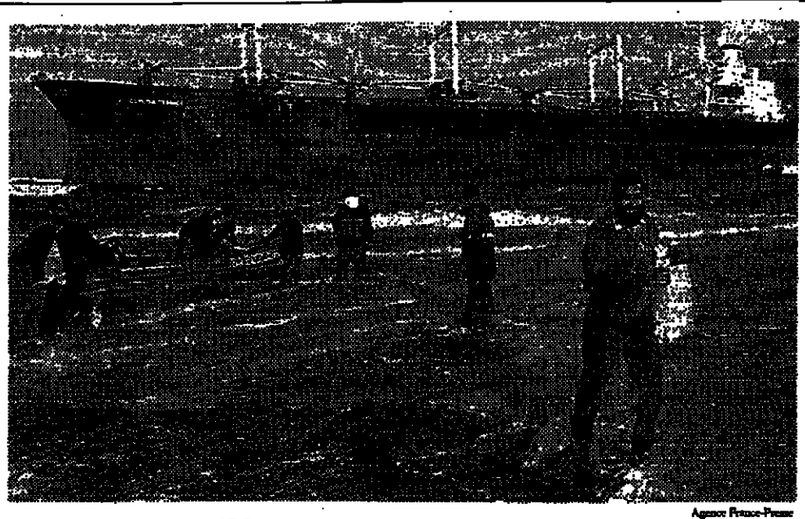
■ 2d Lawyer Quits Case

A second lawyer representing Jewish victims has quit his role at the trial of Mr. Papon in Bordeaux after the defendant was ordered freed from prison during the proceedings. The Associated Press reported from Paris.

Gerard Welzer, who resigned Saturday, said the families he represented "are very shocked and upset by what has happened."

In freeing Mr. Papon on Friday, the third day of trial, the court cited age, 87, and his past heart surgery, and it granted him freedom of movement.

Shortly after the court ruling, Arno Klarsfeld became the first lawyer to resign from the case. He is the son of a noted Nazi-hunter, Serge Klarsfeld.



Agence France-Presse

AGROUND IN FRANCE — A Panamanian cargo ship, the Cape Tanzanis, ran aground Sunday near Bayonne, in southwestern France. The crew was being evacuated.

Swiss Are Said to Find 800 More Wartime Accounts

Reuters

GENEVA — A further 800 dormant accounts opened by foreigners before the end of World War II have come to light during Switzerland's search for the lost assets of Jews who fell victim to German Holocaust policies, according to a Geneva paper.

Details of these "newly discovered" accounts are to be published Oct. 29, along with a second list of dormant accounts opened by Swiss citizens before the end of 1945, according to the French-language Journal de Geneve.

Thousands of claims poured in after Swiss banks, accused by Jewish groups of hoarding Holocaust victims' assets, published in July a first list of dormant accounts opened by foreigners before the end of World War II.

Kohl Faces Impatience Of Young Party Members

The Associated Press

LEIPZIG — Chancellor Helmut Kohl's party gathered Sunday to endorse his quest for a fifth term despite attacks by young members chafing under the German leader's 15-year rule.

As Mr. Kohl brushed off his critics, leaders of his Christian Democratic Union fell in line behind their 67-year-old chairman to focus on a convention that will begin the party's campaign for parliamentary elections next September.

Mr. Kohl announced in April that he would seek another term, propelled in part by the desire to see through the single European currency due to debut in 1999 and to head the German government's move to Berlin, scheduled the same year.

Yet, the chancellor, who reunited Germany in 1990, has been weakened by unemployment, which stands at post-war highs, and the collapse of an ambitious tax-cut plan that was a key part of his economic reforms.

A loose group of youthful rebels leveled unusually sharp criticism at Mr. Kohl before the convention, accusing him of stifling new ideas. They urged him to step aside as party leader after the elections.

Mr. Kohl dismissed the dissenters, telling Focus magazine that "we will let the voters know in time" when he will step down and denying that he was too old for the job.

Mr. Kohl, in power since 1982, is Germany's longest-serving chancellor since Otto von Bismarck in the late 19th century and Europe's longest-serving leader. He has led the party since 1973, keeping challengers at bay.

Erwin Teufel, the Baden-Wuerttemberg state premier and a Christian Democratic Union deputy chairman, said on German radio that Mr. Kohl remained in charge of the party and that the convention would strongly endorse him.

No formal vote was planned on Mr. Kohl's candidacy, but he told Focus he would ask the 1,000 delegates to place their trust in him and anyone opposed could then speak up.

The Christian Democratic party leadership was meeting Sunday to plot campaign strategy and decide how to deal with the rebels' desire to rejuvenate the party for the new millennium.

Mr. Kohl will make a keynote speech Monday.

The key campaign themes coming out of the convention are the fight against rising crime, creating jobs for some 4.3 million unemployed and blaming the opposition Social Democrats for blocking a tax cut in Parliament.

Europe Adopts Plan To Strengthen Rights

Agence France-Presse

STRASBOURG — The Council of Europe wound up a 40-nation summit meeting with the adoption of a final declaration and action plan aimed at strengthening democratic and human rights for 800 million Europeans from Iceland to Ukraine.

European leaders agreed Saturday to set up a streamlined European court of human rights that would enable citizens to seek legal redress against their governments, to appoint a commissioner to promote human rights in individual countries and to decree a ban on human cloning.

The texts that identify four areas of concern — democracy and human-rights issues, social cohesion, security and cultural diversity — are part of an effort to establish a distinctive European social model.

The two-day summit endorsed a series of proposals including the promotion of social rights, the strengthening of minority rights, measures to combat corruption and organized crime, and the promotion of information technologies.

Some initiatives represented an extension of the council's traditional role in protecting human rights into areas of "new risks" such as terrorism, drugs and crimes against children.

The meeting also issued a strong call for the universal abolition of the death penalty.

In his closing speech, the host, Prime Minister Lionel Jospin of France, stressed Europe's "social dimension," singling out unemployment, and particularly youth unemployment, as Europe's biggest challenge.

The council's Social Charter "provides a basis for guaranteeing social rights," he said.

The summit meeting, only the second in the Council of Europe's 48-year history, was intended to launch a new stage in the organization's career after the near-doubling of its membership with the accession of states created after the break-up of the Soviet Union and of Yugoslavia.

In their final declaration, the 21 presidents and 19 prime ministers asserted the council's "standard-setting" role, particularly in consolidating democracy.

The goal was a "freer, more tolerant and just European society," they said.

BRIEFLY

500 German Extremists Seized After Confrontation at Rally

SAALFELD, Germany — The police said Sunday that they had detained nearly 500 leftist and far-right extremists over the weekend and seized a large quantity of weapons after clashes during a banned rally against rightist violence.

The clashes came after a leftist organization called a demonstration against far-right violence in Saalfeld, eastern Germany, and the neo-Nazi NPD party called a counterdemonstration in nearby Rudolstadt.

Both rallies were banned.

Axes, knives, batons, an irritant gas, gas masks, starter pistols and radio broadcasting equipment were seized from 56 neo-Nazi demonstrators in a restaurant at Rudolstadt. Photographs of Hitler's deputy, Rudolf Hess, were hanging on the wall when the police entered the restaurant. *(AFP)*

Belgians Jeer Police Reforms

BRUSSELS — Several thousand police officers, magistrates and protesters marched in Brussels on Sunday against judicial reforms seen as a politically motivated muddle following child murder and pornography scandals.

With a public address system playing the "Death March" and firecrackers exploding, about 3,000 people carrying blue and red flags, flaming torches, banners and a coffin proclaiming "Democracy" paraded through the city.

They were led by the parents of Melissa Russo, one of four girls found dead in August last year, and by Marie-Noel Bouzet, the mother of Elisabeth Brichet, 12, who has been missing since December 1989. *(Reuters)*

Thousands Protest in Minsk

MINSK — About 3,500 opposition forces rallied Sunday to protest deteriorating living standards under President Alexander Lukashenko, a hard-liner who was burned in effigy.

Police officers arrested 20 people after the rally, according to the Popular Front. The authorities refused to comment on the arrests and it was not clear what, if any, charges were filed against the demonstrators.

The rally was organized by a coalition of the Popular Front, anti-government trade unionists and representatives of the Belarus women's movement.

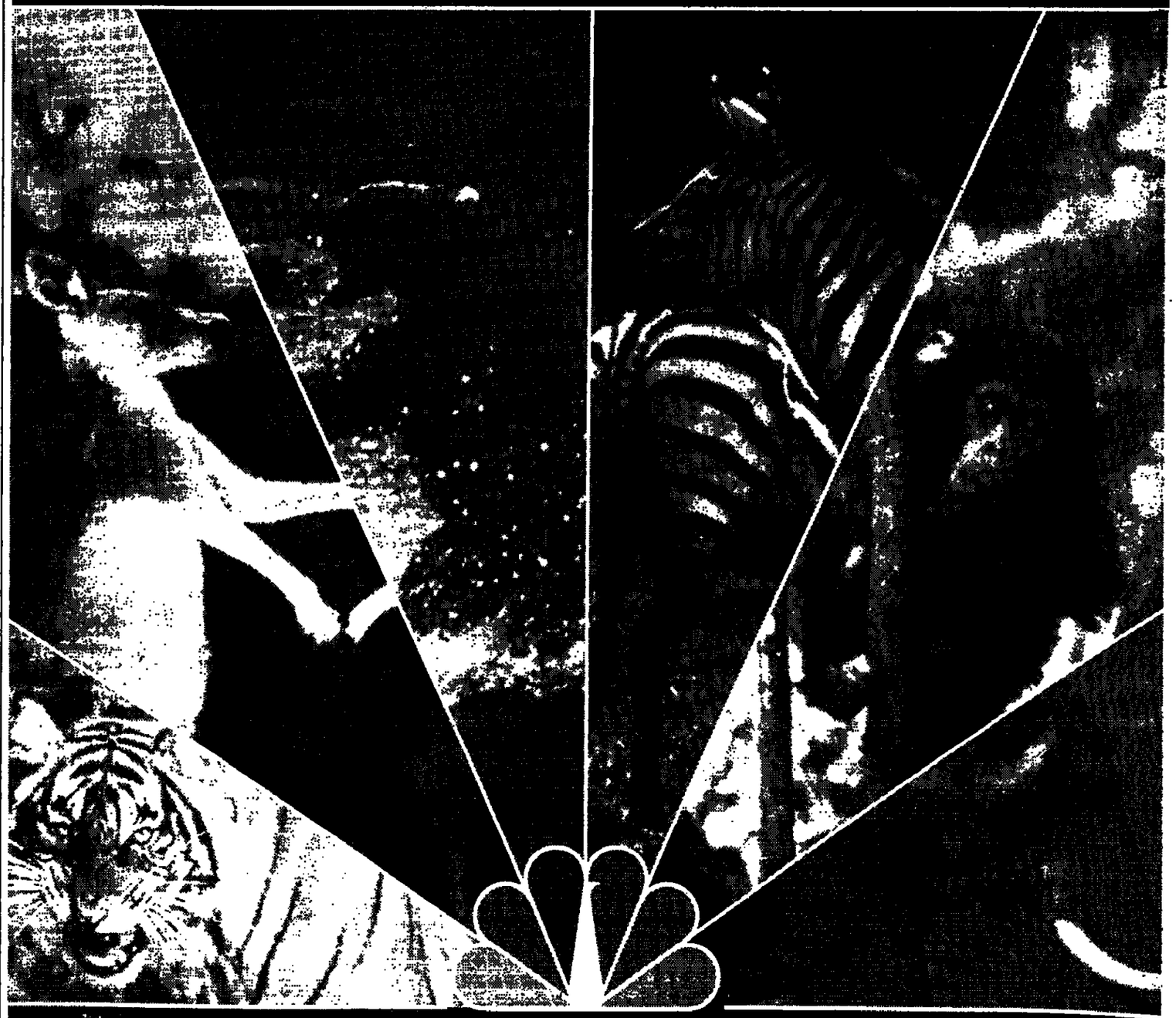
"No to hunger and cold!" signs declared. *(AP)*

For the Record

President Slobodan Milosevic of Yugoslavia invited the two rival Bosnian Serb leaders, Biljana Plavsic, who is the Serb Republic's president, and her rival, Momcilo Krajisnik, for talks in Belgrade on Monday. *(AFP)*

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Slovakia's Leader Again Plays Nationalist Card

By Jane Perlez
New York Times Service

BRATISLAVA, Slovakia — In a meeting little noticed at the time, Prime Minister Vladimir Meciar of Slovakia made an explosive offer to his Hungarian counterpart, Gyula Horn, at a tense tête-à-tête in August.

The proposal was this: a huge exchange of the hundreds of thousands of ethnic Slovak and Hungarian minorities who live in the neighboring Central European countries.

"I was furious that he could make such a proposal," the Hungarian leader said recently of the meeting, which took place in the Hungarian industrial town of Gyor. "I suggested he forget about it."

With his proposal, Mr. Meciar managed to inflame some of the most sensitive issues in Central Europe — borders and ethnic minorities — just as NATO members, including the United States, are starting to debate whether to approve invitations to countries in the region.

Slovakia, viewed as Central Europe's outcast, has not been asked to join the North Atlantic Treaty Organization, which made its invitations conditional on stable borders and an absence of ethnic conflict. Hungary, which was invited along with Poland and the Czech Republic, has signed treaties with Romania and Slovakia to fix current borders and respect minority rights.

But Mr. Meciar, who is running for reelection next year and badly needs the support of the far-right Slovak Nationalist Party, has begun to talk at home as if the treaty with Hungary never existed.

Mr. Meciar himself revealed his proposal, which had remained secret, by boasting about it in September before a rally of supporters here in the Slovak capital.

The campaign has raised fears in Budapest that Mr. Meciar will complicate Hungary's entry into NATO and is also threatening to sour relations between minorities in both countries.

"The most serious danger in all this is that it will get out of control," said Peter Huncik, chairman of the Sandor Marai Foundation, a nongovernmental organization here that monitors the day-to-day relationships between Hungarians and Slovaks in Slovakia.

In remarks laced with innuendo, Mr. Meciar told a rally of his supporters Oct. 1 that minorities living on the border interfered with the "territorial integrity of Slovakia."

"We don't want a repeat of the game of 1938-39," he added, referring to Hitler's decision, after occupying Czechoslovakia, to give Hungary a southern swath of Czechoslovak territory, which reverted after the war.

The remarks, as well as the proposed population exchange, seemed timed to coincide with the 50th anniversary of the deportation of more than 70,000 Hungarians from Czechoslovakia to Hungary after World War II.

Mr. Huncik said he feared that Mr. Meciar, who has appealed mainly to less-educated voters and those from rural and small towns, would succeed in polarizing Slovakia, a country of 5 million that has become increasingly isolated in the region since it split peacefully from the Czech Republic in 1993.

Surveys by Mr. Huncik's foundation have shown that Slovaks are divided into three groups on the question of relations with the minority of some 600,000 Hungarians who live in their country. One-third are for cordial relations, he said, one-third are against, and one-third are undecided.

Because Mr. Meciar has hammered so hard on historical memories, the 30 percent of the Slovaks who are generally neutral are more likely to become anti-Hungarian, Mr. Huncik said.

For fear of losing votes, he said, Slovak opposition political parties declined to officially denounce the proposal for a population exchange.

Unlike the leaders of the conservative Hungarian government that came to power after the collapse of communism, Mr. Horn has been assiduous at developing good relations with Slovakia and Romania. Hungarians living outside Hungary — more than 2 million live in Romania alone — form the largest single minority in Europe, aside from Russians in the former Soviet Republics.

With the new conciliatory Romanian government, Mr. Horn has been successful — with the hostile Slovak government, less so.

Many of Mr. Meciar's supporters, after listening to their leader at the Oct. 1 rally of his political party, the Movement for a Democratic Slovakia, were unflinching in their criticism of Hungarians and Hungarian politicians.

"Even England and the United States are under the threat of becoming Hungarian," said Andrej Ujcej, 74, a pensioner.

And Maria Dubecova, 71, a retired accountant, said: "All they do is harm and they would never reach the incomes they have here if they went back to Hungary."

In southern Slovakia, where most of the Hungarian minority lives in villages along the Hungarian border, Mr. Meciar's idea of Hungarians going back to Hungary was dismissed as yet another outrage from him.

"The mindset of most people is that it's up to me where I want to live," said Jan Babej, mayor of Samorin, a town of 12,000 where 70 percent of the population are ethnic Hungarian.

Mr. Babej is Slovak, and his election in a mostly Hungarian community signified, he said, the smooth relations between Hungarians and Slovaks. His wife is Hungarian and they speak each other's languages every day, he said.

In Samorin, students can choose between schools that give classes in Hungarian or Slovak.



The Associated Press

Vladimir Meciar, right, the Slovak prime minister, and his Czech counterpart, Vaclav Klaus, center, during a meeting in Piestany, Slovakia.

Opposition Leader on Italy's Crisis

Q & A / Silvio Berlusconi

On Monday, Italy's political crisis will enter a critical phase as President Oscar Luigi Scalfaro consults the leaders of the center-left government and center-right opposition. Prime Minister Romano Prodi and Massimo D'Alema, who heads the Democratic Party of the Left, appear to favor a snap election. On Sunday, former Prime Minister Silvio Berlusconi, leader of the opposition, discussed the crisis with Alan Friedman of the International Herald Tribune.

Q. Fausto Bertinotti, the leader of the extreme-left Refounded Communists who brought down the Prodi government by rejecting the 1998 budget, now says he wants to cut a deal to avoid elections. How do you see the situation developing?

A. We need to be clear. What has happened in the last few days is not only a disagreement over the budget. The truth is that what we are seeing is a struggle for hegemony on the left. The alliance between the center-left and Communists was only electoral. Their differences are now irreconcilable.

Mr. D'Alema wants his party to become a social democratic force and has always considered the Refounded Communists a small group that should have a subordinate role. Mr. Bertinotti instead wants to establish his own separate identity as the true voice of the left.

The fact that the Communists have brought down a government of the left and are now trying to recoup means each side is trying to blame the other, and this gives our country a comic-opera image that can cause grave damage for the stock market and the lira.

Q. What will you tell President Scalfaro when you see him Monday?

A. I will say something very simple, namely, that the country is facing an emergency, and we should have the courage to seek a serious solution. That solution is a grand and bipartisan coalition with a program to complete the budget and clean up public-sector finances, to lighten the tax burden on companies in order to fight unemployment and to reform the electoral law to achieve a system of majority voting rather than proportional representation.

Q. But Mr. D'Alema has already rejected the idea of a grand coalition.

A. I still think it is a generous proposal, since I am thinking of interests of the nation and not just my own partisan political interests. If the other side does not accept my offer, we will go to elections, and the worst that can happen to me is that we return as the opposition.

Q. If an election is called, would you be the candidate of the center-right against Mr. Prodi for prime minister?

A. In Italy there is an anomaly in which the leader of the center-left, Mr. D'Alema, chose another candidate as prime minister, and he chose a manager from state industry. This has implications for us. My decision as opposition leader is that I would not be the candidate. We would choose another candidate. Only if Mr. D'Alema were a candidate himself would I be a candidate.

Q. What are your reasons?

A. The left has always accused me of having a conflict of interest. I created the second-biggest corporate group in this country, and now I am being persecuted by magistrates and accused mainly of tax evasion and other tax-related matters. I am accused of knowing every detail of what went on in my group, even though my group has 11 trillion lire ($6.39 billion) of revenue and paid 874 billion lire in taxes last year. This decision is also a way to eliminate such charges of a conflict of interest.

Q. So if it is not you, who would be the center-right candidate?

A. We are examining a variety of names, but we haven't yet decided.

Q. Is there any chance that you center-right parties could form a new coalition with the separatist Northern League led by Umberto Bossi?

A. With Mr. Bossi we would have 55 percent, but there is no possibility of a coalition with his party unless he renounces his demands for a Northern secession.

Q. What do you think of the idea of a law imposing a 35-hour workweek such as the one proposed by Prime Minister Lionel Jospin in France and also favored by Mr. Bertinotti's Communists?

A. It would raise manufacturing costs. Italian companies would have to raise their prices, and we would lose competitiveness. Many entrepreneurs would have to shift manufacturing out of Italy, for example to Eastern Europe.

Q. In the present situation, what chances exist that Italy can still qualify for European monetary union on time?

A. Maastricht will depend on a serious and rapid solution, and with a grand coalition we would certainly make the grade for Europe, join the single currency and stay there. If there are elections, we will be at risk.

Rome Coalition's Olive Branch

The Associated Press

ROME — Leaders of the center-left coalition forces led by Romano Prodi, the caretaker prime minister of Italy, indicated Sunday they were willing to consider a deal with Communists to back a new government if hard-liners would finally compromise on budget cuts.

Deputy Prime Minister Walter Veltroni, preparing for a meeting at the prime minister's office Sunday evening to map strategy, said pension cuts and other budget-slashing measures being pushed by Mr. Prodi remained the "point of reference for us."

"Then we'd be willing to introduce some modifications to the rest of the program," including a shorter work week sought by the Communists, said Mr. Veltroni, a leader of the Democratic Party of the Left, which was formerly Communist.

Leaders of Mr. Prodi's Olive Tree coalition were due to meet on Monday morning with President Oscar Luigi Scalfaro, who must decide soon whether to call early elections or try to form another coalition.

Mr. Prodi quit on Thursday after Fausto Bertinotti's Refounded Communist Party refused to back budget cuts that the government deems vital if Italy is to be one of the countries in the first group entering the European monetary union.

U.S. Aide in Turkey for Talks on Cyprus

Agence France-Presse

ANKARA — The U.S. State Department's coordinator for Cyprus, Thomas Miller, arrived here Sunday for talks with Turkish officials starting Monday on advancing peace efforts on the divided island.

President Bill Clinton's special envoy for Cyprus, Richard Holbrooke, also was expected to arrive in the Turkish capital to lead the U.S. team in the talks, American sources said. Mr. Holbrooke will be making his first visit to Ankara since his appointment as envoy for Cyprus earlier this year.

Mr. Miller will travel to Athens after the meetings in Ankara, but Mr. Holbrooke will not take part in those talks, a State Department spokesman, James Rubin, announced in Washington on Friday.

"Let me emphasize, this is not a negotiation," Mr. Rubin said. "This is a continuation of discussions."

Cyprus has been divided since Turkey invaded the northern third of the island in 1974 in reaction to a coup in Nicosia aimed at uniting the island with Greece.

The Turkish Cypriots set up a breakaway republic in 1983, but the entity is recognized only by Ankara, which maintains about 35,000 troops there.

TALKS: *A Global Odd Couple at the Table*

Continued from Page 1

portedly eager to avoid a battle over sanctions, they have opened an inquiry on Total's deal with Iran.

The European Commission is also eager to avoid a larger clash. But it has warned that, if the talks next week break down, it will denounce the United States before the World Trade Organization.

European and U.S. officials have easy access to each other. Sir Leon Britan, the EU trade commissioner, for example, has a close relationship with Stuart Eizenstat, the U.S. undersecretary of state for economic, business and agricultural affairs.

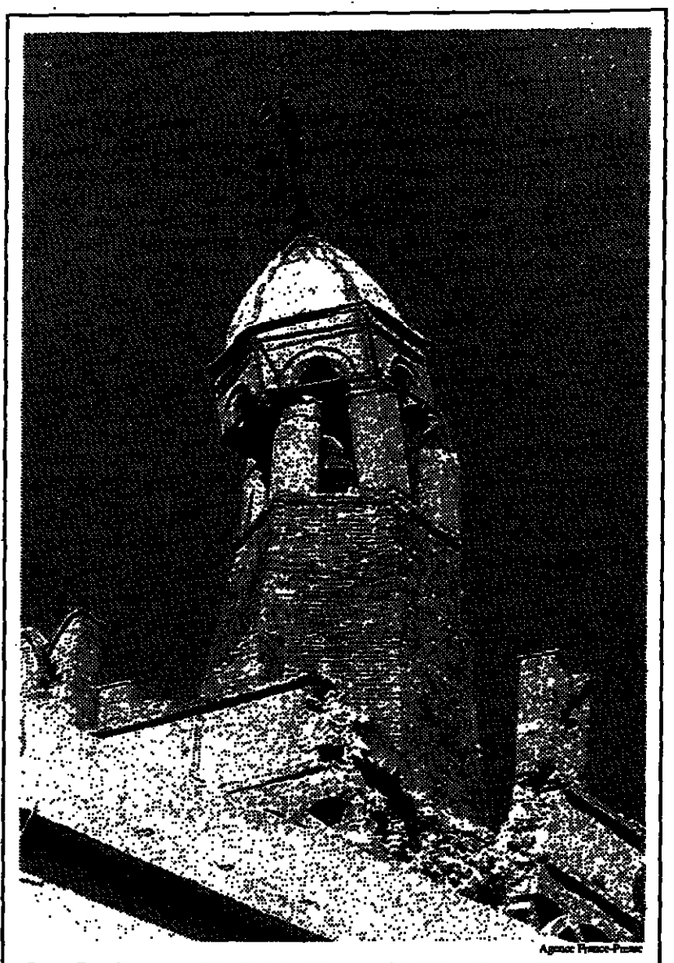
But there are frustrations, too. A U.S. diplomat said Europeans could not understand that "we have a government that was designed not to work by people who didn't like government." Just when they think they have a deal, Europeans find themselves undercut by Congress.

U.S. negotiators, on the other hand, are frustrated by European bureaucracy, inflexibility and a seeming lack of political will; they point to the conflict in Bosnia-Herzegovina as an example.

This seeming indecisiveness is usually explained by the fact the commission speaks for all 15 countries, all of which must be consulted before any initiatives are taken.

Europe lacks a "Mr. or Mrs. Foreign Affairs." The EU's external relations are in the hands of Sir Leon; Joao de Deus Pinheiro of Portugal, the commissioner responsible for African affairs; Manuel Marin of Spain, commissioner for relations with Asia, the Mediterranean and Latin America, and Hans van den Broek of the Netherlands, the commissioner in charge of enlargement. They do not work as a team, and they operate from a different building than their staffs. Another problem is the chronic shortage of staff members to deal with global issues.

Of course, the commission can and does call on the expertise of member governments, from which many of its officials come. "We borrowed most of our financial services legislation from the British, but don't tell that to the French," an official said.



Agence France-Presse

Quake Imperils 500-Year-Old Italian Tower

Three powerful jolts on Sunday caused further damage to buildings in central Italy, including the bell tower of the town hall at Foligno, in Umbria Province. There were no reports of deaths. More than 100 aftershocks have battered the region since a major temblor on Sept. 26 killed 12 and caused heavy damage.

BRAZIL: *Clinton to Visit Changed Nation*

Continued from Page 1

"The people have food in their bellies," said Roberto Macedo, an economist at the University of Sao Paulo. "But they also have refrigerators and ovens now, too. In Brazil, that's powerful motivation to like your president."

Yet, serious problems continue to plague Brazil, a country with a long history of poverty and social crises. Even as his economic policies have improved the lives of the poor, critics say the gains may not last because Mr. Cardoso is not taking the bold steps necessary to close the country's massive gap in the distribution of wealth. In Brazil, 5 percent of the people control 95 percent of the land.

There also have been nagging concerns that Mr. Cardoso has focused more on changing the constitution to allow for his re-election than on enacting the social security and tax reforms he has promised. Critics also say he is moving too slowly to privatize state-run industries, that his administration has become permissive on logging in the Amazon and that he has not done enough to curb corruption and police brutality, the subject of a number of recent human rights reports.

Mr. Cardoso responds that one must look at how much Brazil already has changed during his term. "Not just because of the economy," he told a group of reporters, "but because we are now putting on the table our social problems. The Brazilian government is not trying to cover up what is wrong in Brazil."

Since taking office, Mr. Cardoso's biggest impact has come through economics. A former leftist university professor who once conducted weekly study groups on Marx, he did an about-face to embrace free-market theories by offering Brazilians his "Real Plan."

The plan opened Brazil to foreign investment and linked its currency, called the real, to the U.S. dollar. The plan ended hyperinflation.

But the plan has come under criticism both inside and outside Brazil, and from both the left and right. Affluent Brazilians have discovered that many of their costs, such as real estate and eating in restaurants in posh neighborhoods, have gone up.

Mr. Cardoso is also facing mounting pressure from the Landless Movement of the rural poor — 50,000 of whom marched on Brasilia this year to protest the slow pace of land reform.

CLINTON: *South America Trip*

Continued from Page 1

unlikely to make much difference.

The $52 billion in U.S. goods exported to the region in 1996 was more than double the 1990 level. From 1990 to 1994, American multinationals poured more than $20 billion into factories, equipment and other investments — extending their historic dominance in the region over European and Japanese firms, which invested less than half that amount.

"It's become an increasingly important market for us," said Tim Richards, senior manager for international trade and investment at General Electric Co., which sells large amounts of U.S.-made locomotives, medical equipment and power-generating machinery to Latin nations. "In Brazil, for example, just in the last two years, we've seen our revenues go up over 70 percent."

Powering such growth is the decision by countries throughout the region to shed much of their old, statist economic policies in favor of market-oriented reforms, and to pound down inflation through discipline over government budgets and the money supply.

"Inflation has come down here from levels of 80 percent a month to less than 8 percent a year," said John Edwin Mein, executive vice president of the American Chamber of Commerce in Sao Paulo. "And the result of that was that people in the lower classes whose earnings had been completely eroded by inflation all of a sudden found themselves with additional real income — granted, at a very low level, but 30 percent, to 40 percent additional income, which is generating tremendous demand for consumer goods."

But it is a region of countries that have signed dozens of crisscrossing trade agreements with each other — and that is where the argument for a hemisphere-wide free trade agreement comes in, because some U.S. companies are finding themselves at a disadvantage.

Consider the case of Stupp Corp., based in Baton Rouge, Louisiana. The company, which makes gas pipelines, has flourished in the Latin market, which accounts for the bulk of its exports. But earlier this year it lost a $100 million contract for an Argentine-Chilean pipeline because of a 27 percent tariff imposed by Mercosur, the biggest Latin trade bloc, which encompasses Brazil, Argentina, Uruguay and Paraguay.

"We lost to an Argentinian company, because the tariff works against companies that aren't based within Mercosur," said Donald Bohach, the company's director of marketing.

But many trade experts scoff at the suggestion by administration officials that South America is such a juicy target as to tempt European or Asian powers into forging their own trade agreements with the region.

Although European Union officials have talked of negotiating a free-trade pact with Latin countries, their claims are viewed skeptically because of their well-known reluctance to expose their farmers to foreign competition.

"It would be refreshing," Mr. Mastel said, "if people would just say, 'Latin America is a good market, maybe not the most important, but we ought to take advantage of it.' It may not be a message that sells well on TV, but it's the truth."

AMERICANS: *Number of Expatriates Soars as Go-Go Economies, Lower Costs and Ethnic Homelands Beckon*

Continued from Page 1

are more Americans abroad than there are people in Norway, or Denmark or Finland. The number has been growing by more than 250,000 a year.

The State Department numbers are based on admittedly rough estimates from U.S. embassies and consulates around the world, where officials tally their contacts with American expatriates, compare their own figures with local government data, project trends and then send a number to Washington. There is no systematic attempt, as with the census at home, to achieve a complete count. Americans can live abroad for years without a single contact with embassy or consulate. And the closings of some consulates further blur the accuracy of estimates.

"The numbers are pretty soft," said John Martin, a former Foreign Service officer who now specializes in immigration questions. "But they're the best that's out there."

The United States has always been more a magnet to immigrants (900,000 of them last year) than a source of emigrants. But the lure of fast-developing economies in countries from Israel to Taiwan, of a dollar that goes far in many parts of the world, and possibly also concerns about crime and insecurity in the United States, are altering that.

Unsurprisingly, the biggest numbers of Americans abroad are found in the two nearest U.S. neighbors, Canada and Mexico. This trend has been magnified, trade specialists say, by the effects of the North American Free Trade Agreement, which links the three nations.

Many of the 626,000 Americans in Canada and the 550,200 in Mexico were born in those countries and hold dual citizenship. Perhaps two-thirds of total growth is of former immigrants returning to home countries, specialists say.

"We expect more growth in Mexico," said Nyda Novodvorsky Budig, a consular affairs spokeswoman for the State Department. A new citizenship law there, she said, will no longer require people to renounce U.S. citizenship if they want to keep their Mexican citizenship.

After proximity, the biggest factor in the movement abroad is probably the end of the Cold War, and the dramatic way it has opened former Communist-bloc nations to business, travel and tourism.

In hand with that, the number of smaller U.S. businesses seeking export markets — a foothold in the European Union or a toe in the door of markets in Eastern Europe or Asia — has risen rapidly.

Both of those trends are exemplified by Poland, which has gone from just over 13,000 Americans in 1990 to 148,000 last year, according to the State Department. The Polish-American community in the United States is large, numbering about 12 million, and has strong ties to the mother country.

The new market economies in Central and Eastern Europe have been a magnet to young business graduates. There has been a rapid influx into Vietnam, to 2,900 from almost none in 1990. The number in China has tripled in that period, and further "massive growth" is expected there, according to the nonprofit group American Citizens Abroad.

Many of the new expatriates are older people. Thousands of binationals return to their home countries each year to retire. The number of people receiving Social Security benefits abroad rose to 380,000 last month, though not all recipients are retirees, and not all are even American.

"There is and will be a continued attraction of retirees to overseas retirement places, where on the same income you can afford a maid and some other things you couldn't have here," said Charles Longino, a gerontologist at Wake Forest University in Winston-Salem, North Carolina.

Mr. Longino, who follows immigration issues, speculated that many of those retiring abroad had come to the United States, gained citizenship and were returning home or had lived abroad much of their adult lives, including in the military.

"They're used to dealing with the realities of life overseas," he said. "Few people just pick up and retire overseas if they haven't had experience abroad."

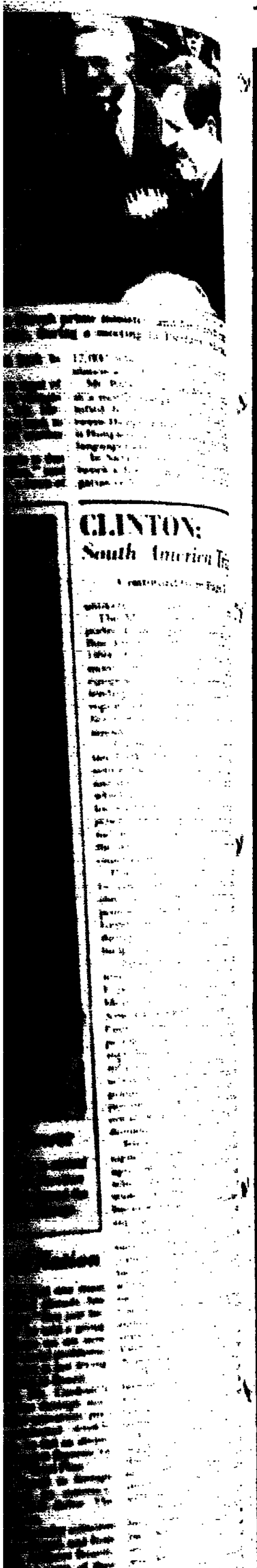
Improving conditions in countries that have long been a source of immigration to the United States — from Mexico to Italy to Greece — are clearly luring many to return, said Dorothy van Schooneveld of American Citizens Abroad.

U.S. law did not always allow dual nationality; today's more flexible approach has also been a factor.

The number of Americans has dropped in a few countries, mainly those, like Germany and the Philippines, where the end of the Cold War allowed a reduction in the huge American military forces — and the connected nonmilitary community. The declines in those countries make the overall growth even more striking, specialists say.

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Herald INTERNATIONAL Tribune
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Dictators' Tricks

Only seven months after its great triumph, the Serbian democratic opposition coalition Zajedno (which means "together") has conclusively forsaken its name. Zajedno, principally led by Vuk Draskovic and Zoran Djindjic, helped organize three months of street protests against Serbia's dictator, Slobodan Milosevic, last winter, but now the two men are tearing the opposition apart. Mr. Draskovic recently helped oust Mr. Djindjic from his post as mayor of Belgrade, which returned control of the city and Belgrade's only independent television station to Mr. Milosevic.

One of the crueler laws of politics, it seems, is that when activists finally mount a challenge to a dictator, they often prove to be petty and opportunistic. Exceptions abound, including many of South Africa's new leaders and the coalition in Chile that defeated General Augusto Pinochet. But the Zajedno experience is common. The political conditions that sustain dictatorship also poison the opposition.

After a meeting earlier this year in which Mr. Milosevic apparently promised Mr. Draskovic a choice political post, Mr. Draskovic decided to run for the presidency and enter his party in parliamentary elections. Mr. Djindjic, furious at not being consulted and unwilling to legitimize an election that the opposition could not win, decided to boycott. Mr. Draskovic has told associates that he made his deal for fear that Mr. Djindjic would get there first.

The story is a perfect example of the dictator's tactic of divide and rule.

South Africa's apartheid regime created death squads among a conservative black faction, sparking black-on-black violence that it used to justify continued white rule.

In Kenya, the British rulers appointed tribal chiefs, who did the colonists' work at the local level. Today Kenya's longtime president, Daniel arap Moi, maintains the same system, arming tribal militias and pitting them against each other. Although Mr. Moi is widely hated, the opposition cannot agree on whether to contest a presidential election this year.

Dictators can co-opt people because they usually run societies in which the government controls lucrative jobs, contracts, foreign exchange, credit and licenses. Opposition leaders are often cynics because their supporters demand it. Many citizens will follow a politician not because they like his plans for the country but because he can bring jobs and money to their ethnic, regional or tribal group.

Dictatorships, moreover, lack the mechanisms to keep the brutal or criminally greedy out of politics. There are no free press to expose them, courts to try them or civil society to mobilize public opinion against them. People who grow up in a society that rewards only opportunism may not have much respect for democratic behavior. They may not even know what it is. Leaders come and go, but dictatorship's habits are harder to break.

—THE NEW YORK TIMES.

An Important Trip

President Bill Clinton's first trip to Latin America is not only a diplomatic catch-up. In its larger dimension it is designed to identify the United States with the forces of change that are sweeping furiously across South America. This is worth doing, by presidential visits and the many other less conspicuous ways in which the nations of the hemisphere encounter each other.

In the '80s, much of South America's change was obscured in the American view by Central America's leftist insurgencies and rightist repression and the various political currents they stirred in the United States. But those days are gone, and now the region is, in full view, widening and trying to deepen its hold on the institutions of market democracy. It is trying to deal with (1) competition in a globalizing economy, (2) popular pressures to share the fruits of economic and social change and (3) a striving to define the kind of country and society Latins want. They are tackling this formidable project, by the way, with notably fewer resources, including institutional ones, than the United States, which is having its own troubles. Mr. Clinton will inspect the process in Venezuela, Brazil and Argentina, three countries where it is taking place in a brave but far from proven fashion.

The integration of the hemispheric economies has been proceeding apace, the more so as democratic procedures have been instituted, or at least honored in the breach, everywhere in the hemisphere but Communist Cuba. The results in trade, although not friction-free, have been of large and increasing benefit to the United States. This accounts for the current focus on the "fast-track" debate particularly as it affects trade with Latin America.

Mr. Clinton will be saying to Latins that the U.S. government is ready to cooperate in coming to terms with the global economy — with promotion of trade and investment and with protection of the individuals and social classes bruised by the process. He will also be equipping himself to bring back a more authoritative grip on the issue to an American Congress and public still deeply conflicted by it. He should be able to present himself as an effective spokesman for American companies and workers. This could be one of his more important trips.

—THE WASHINGTON POST.

Truths Told in France

When societies face their participation in a crime as overwhelming as the Holocaust, it is understandable that their memories sharpen, not dim, as time passes. In the years just after World War II, the nations of Europe created exculpatory myths about their own complicity. Only now, as untainted generations arise and study the past, are those illusions giving way to truth. Recently in France, a myth was felled as France's Roman Catholic bishops gathered in the Paris suburb of Drancy — once an internment camp from which 76,000 Jews were deported east to their deaths — and made a full and anguished apology to the Jewish people for the church's silence during French collaboration with the Nazis.

The Declaration of Repentance asked forgiveness from the Jewish people for the church's silence. "The vast majority of Church officials ... stuck to an attitude of conformism, caution and abstention," the declaration said, in part because of "constantly repeated anti-Jewish stereotypes."

The Sept. 30 declaration's plain truths are all the more remarkable because France and the Vatican have resisted acknowledging their history during the Holocaust. French leaders maintained the fiction established by Charles de Gaulle that the Vichy government was a creation of Germany and a small group of French extremists, while the French people actively or passively supported the Resistance. President François Mitterrand, who revealed before his death that he had been a minor Vichy bureaucrat before he became a Resistance fighter, always insisted that France bore no fault for Vichy's sins. It was left to his Gaullist successor, Jacques Chirac, to say in 1995 that France held heavy responsibility for the deportation of Jews.

Last week in Bordeaux, a trial opened that may encourage more exploration of the French role in Vichy. Maurice Papon, accused of ordering the deportation of 1,560 Jews, is the highest-ranking French Vichy official to be tried for crimes against humanity, and only the second since the war. After the war his career flourished, and he was France's budget minister in 1981, when his past was discovered.

Relations between the church and Jews have improved greatly since 1965, when the Second Vatican Council condemned anti-Semitism and announced that the Jews had not killed Christ. Pope John Paul II, who was a teenager in Nazi-occupied Poland, has worked hard to build ties to Jews. Yet he has not yet apologized for the behavior of the church during the war. Pope Pius XII kept silent when he was given credible reports of the genocide, and after the war he helped Nazi war criminals escape justice.

The Vatican has been studying the possibility of an apology for some years. It is time to follow the French bishops, who have honored the truth, and in so doing have honored the church.

—THE NEW YORK TIMES.

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Wounds in Southeast Asia Are Self-Inflicted

By Jim Hoagland

WASHINGTON — Money talks in economically vibrant America. But money moans in Southeast Asia today, sobbing out a tale of currency convulsions and investor anxiety that roils markets and political futures in that region and to some extent globally.

The Indonesian rupiah has fallen 40 percent in value since June. Malaysia's ringgit and stock market have bounced and wobbled, declining by up to 20 percent in recent weeks. The Thai baht has been pulverized by poor management and market forces, and has been wheeled into the intensive care unit of international finance. Across Asia, bountiful boom is turning to bitter bust.

These abrupt changes impose heavy new burdens on the region's inhabitants. Indonesia now owes 40 percent more on its dollar-denominated private and government foreign debt of $100 billion than it did four months ago. Thailand has been granted conditional bailout loans from the International Monetary Fund, which invariably call for austerity leading to financial pain and social unrest. Malaysia has had to postpone grandiose, job-providing construction projects.

Does this matter to others, and specifically to Americans, who remember Richard Nixon telling aides that he did not give a whit about the Italian lira? It does. And it matters most of all how the international financial system responds to an Asian crisis of market mechanisms and human values.

The baht, rupiah and other monies are not the only casualties of this decade's third great currency upheaval (after Britain 1992 and Mexico 1994). Just as sharply devalued are the political hubris and racial conceit known under the catch phrase "Asian values."

This pseudo-ideology has been championed by Prime Minister Mahathir bin Mohamad of Malaysia to explain why his subjects could so avidly adopt Western material standards and financial systems without supposedly being interested in the "Western" political ideals of democracy, the dignity of the individual and the rights of free speech and assembly.

Mr. Mahathir, China's rulers and their friends abroad have used the argument to drop a curtain between East and West, and between ruler and subjects. In order to get ahead financially, Asian workers had to be content with traditional — that is, authoritarian — political and social structures.

Mr. Mahathir's savage reaction to nervous foreign investors pulling money out of Malaysia's stock market and currency funds has exposed the racist nature of his political argument. He has denounced George Soros and other "foreign financiers" for trying to destroy Malaysia as punishment for being too uppity. "I say openly these people are racists," Mr. Mahathir said in Kuala Lumpur after making a pointed if less inflammatory version of this argument in Hong Kong during the annual World Bank-IMF meeting last month. "They are not happy to see us prosper. They say we grow too fast; they plan to make us poor."

Listening to Mr. Mahathir in Hong Kong, "I suddenly realized it was worse than I had thought," says one of the world's most influential bankers. "He really believes what he says. There is no other way to explain why he keeps coming back to this nonsense when it damages his country's economy so dramatically."

Mr. Mahathir and the others seek in desperation to hide the self-inflicted nature of their wounds. Authoritarian Indonesia and nouveau riche Thailand, outwardly so different in their political systems, are paying the price for the all too similar cronyism and corruption fostered by those systems, which kept foreign and domestic investors in the dark on key debt and currency reserve data as the crisis approached.

Those investors and their bankers now clamor for a no-pain international bailout fund for this and future upheavals. Japan's finance minister has floated the idea of a $100 billion regional safety net. Bill Clinton's money aides, not having the luxury of being witless about the rupiah, are huddling, electronically, with other financial wizards in the Group of Seven to figure out how to cope with Asia's monetary whirlwind. They must not overlook the self-inflicted nature of the problems of the baht, rupiah, ringgit and others.

Asia's political structures are already too interconnected with business and finance. They need the transparency and guardrails that democratic freedoms bring with them, in the West and in countries in the East such as Japan and South Korea.

Setting up a new fund even more vulnerable to blackmail by the Mahathirs of Asia is an invitation for more corruption, more investor disregard of risk, and more upheaval. The wizards should have no trouble standing together against this proposal.

The Washington Post

China Policy: Clinton Has Support for Trying Engagement

By Stephen S. Rosenfeld

WASHINGTON — Of all the large, open questions of American foreign policy, easily the largest is China: how to ensure that its remarkable development produces a country that can be brought into an international system, one that will not be free of tension but will be run by agreed rules.

The question will get an early testing when President Jiang Zemin arrives in Washington at the end of this month for the first Chinese-American summit in nearly a decade.

The Clinton administration, it appears, will be ready for him. In this instance, it has the elements of a coherent policy in place, and it has begun explaining its expectations for its guest.

True, it is not clear exactly what will be on President Jiang's mind. Recent American visitors to Beijing have found some Chinese cheerfully anticipating restoration of the Chinese-American normalization broken off by the Chinese Communist massacre of democracy demonstrators at Tiananmen Square in 1989. Other, more apprehensive Chinese seem to fear that the United States is basically concerned to check their country's surging growth and power.

On the American side, however, the Clinton administration is already claiming no small breakthrough. Although the daily static sometimes conceals it, the administration has won a substantial indication of bipartisan support that it hopes will sustain its chosen China policy through the ups and downs sure to come.

White House national security adviser Samuel Berger sees American China policy moving through stages. From Richard Nixon's historic visit of 1972 to the Tiananmen massacre of 1989, it was a renewed love affair. After 1989 came estrangement and the partial isolation of China. The past three years have seen a return to something called engagement.

The particular issue people have brawled over most is whether or not the bestowal of normal trade terms (mislabeled as "most-favored-nation," or MFN, trading status) should be linked to Beijing's performance on human rights.

The human rights wars continue, and should as long as Chinese abuses go on. But in the annual MFN battle this year, Mr. Berger now notes, the president's certification of China as trade-worthy was sustained by 80 votes in the Republican House and did not even come up for a vote in the Senate. You could say the president is trying to have a strong human rights emphasis and a strong trade policy, and Congress is prepared to let him try it both ways.

The American debate on engagement is over, says Mr. Berger, although argument continues on "priorities" — human rights, Tibet, trade, nonproliferation and so on. He is at pains to avoid indicating which of these perennially contentious items matters most to the United States, presumably for fear of having to choose among them.

The American policy as now established plays to the tremendous political investment the Chinese Communist leadership has made in continued economic growth. This investment asks from China not just a regard for the agreed terms of international trade but a general concern for good relations with countries like the United States. Those countries are its markets and its sources of investment and much else, and will be for a time extending far into the future.

Outsiders cannot contain, isolate or turn their backs on China, Mr. Berger says. If they treat China like an enemy, they will make it an enemy.

Hence the administration's acceptance of "strategic dialogue" with Beijing.

Mr. Berger is reluctant to say that the dialogue will lead to the ultimate and ambitious end stage of a strategic "partnership." But meanwhile the commitment to strategic "dialogue" amounts to an acknowledgment of China's heavyweight status.

Hence also the administration's quiet maintenance of the traditional U.S. forward military position on the Pacific Rim.

The position includes the central, just refreshed security treaty link with Japan. These assertions of American global power may feed Chinese anxieties about the United States' post-Cold War purpose in the Pacific, but they constitute the essential strategic underpinnings of a diplomatic policy that otherwise invites the Chinese to integrate into the global system.

The same policy also invites them, although of course it cannot force them, to shed the remaining aspects of their Communist inheritance in ideology, single-party dominance and police rule.

Underneath it all is a reaffirmed American embrace of the original "one China" policy with its requirement that any change on Taiwan come peacefully. By this turn President Nixon paid his dues to Chinese nationalism, showed his fidelity to Taiwan and won his historic way to Beijing in 1972. President Bill Clinton, following Mr. Nixon's policy lead, presumably will get his chance to make the same trip in 1998.

China's part remains. Mr. Berger makes clear, to honor the international rules of conduct in economic and political affairs alike. This is an obligation imposed not only by American diplomacy but by American politics. The new consensus supporting the administration's China policy demands it.

The Washington Post.

Politics: When the Fundamental Questions Aren't Posed

By William Bradley

LOS ANGELES — It is a strange and dishonorable time in American politics. A seemingly historic accord for a balanced federal budget, a once ballyhooed debate between the vice president and the House minority leader over the future of the Democratic Party, the second-longest state budget deadlock in California's history — all are either ignored or greeted with yawns. Have we reached the end of politics?

Probably no more than we have reached the end of history. Yet there is a pervasive — dare it be said — malaise hanging like smog over the political landscape.

Only the Senate hearings on campaign finance abuses roused even the barest hint of popular interest, and that only with the increased likelihood that Attorney General Janet Reno will at last accede to the obvious and appoint a special prosecutor. The public is disengaged and disgusted, the pols mostly jaded or going through the motions.

In the absence of anything compelling in a positive sense, popular consciousness has become privatized, dominated by a voyeuristic media culture, as transfixed today by the spectacle of Princess Di as it was by the O.J. Simpson trial before it.

With the president taking his politics of affect onto "Siskel & Ebert," is it any wonder that the strongest images of conviction and leadership this year have come from better actors, namely Harrison Ford and Jodie Foster in "Air Force One" and "Contact"?

Of course, there is no civil rights movement to infuse politics with a deeper sense of meaning and morality. Nor, from a rightward perspective, is there the battle against communism. Nothing obvious to bring a sense of passion and conviction to the political culture.

This is not because there are not fundamental problems to be solved. It is because fundamental questions are not being posed.

In any time of great change, as Robespierre noted, first principles are essential. There are two central questions: How do we deal with the ascendancy of radical capitalism? and how do we reverse the deterioration of the public sphere?

Radical capitalism is the dominant economic approach to this accelerative age. A capitalism taken to its root ideology of ceaseless change, unfettered markets, tax flight and the ruthless accumulation of wealth and power, radical capitalism is a logical mode for an era of ever advancing though still adolescent technology.

That it is logical does not make it just, or even all that smart, especially when its ideological mantra of "efficiency" is examined from the standpoint of efficient for whom. In a society or at least a media culture obsessed with the pursuit of wealth, it is ironically telling to note that while more than 70 percent of Americans have essentially no net worth, the richest 1 percent own more than 60 percent of the nation's equity.

Irony, of course, is best appreciated by the affluent, who, notwithstanding the ceaseless hype emanating from Wall Street about the democratization of capital and the vast expansion of "wealth" through minor investments in mutual funds, remain a small minority of Americans in this best of all possible worlds.

We are not going back to the past, which is a major reason why the Al Gore-Dick Gephardt debate over the future of the Democratic Party has been a nonstarter. Technological advance and greater global economic integration are simply realities. To oppose them is to oppose the tide, which worked out poorly for King Canute.

But to recognize change is not the same as putting a smiley face on radical capitalism, as many acquiescent politicians who call themselves Democrats now choose to do. The pace and direction of change are a profoundly political and moral matter. It remains unraised in this time of foolish idolatry of the market.

As for the second question, reversing the decline of the public sphere will not be easy. Making troubled public programs like education work is fundamental, especially after the decline and fall of the welfare establishment. But nothing matters more than ending the money-soaked culture of lying that has come to pervade politics.

It may well be that, as a formerly liberal Democratic consultant told me the other day, it won't matter if the White House is guilty of breaking the law because the public believes that everyone does it. It won't matter, he meant, in terms of the next election.

Leaving aside the fact that not everyone in politics is corrupt, this all too typical cynicism provides the perfect underpinning for the delegitimization of politics and government. A wonderful result, at least from a right-wing perspective. Think of it as politics noir.

The writer, an adviser in several Democratic presidential and gubernatorial campaigns, contributed this comment to the Los Angeles Times.

For a Strategy Against Forest Fires

By Agus Purnomo

JAKARTA — The fires raging in Indonesia have resulted in serious air pollution not only for some 20 million people in Indonesian Kalimantan and Sumatra but also for many millions more in Malaysia, Singapore, Brunei and parts of the southern Philippines and Thailand.

This year's outbreak is the fifth major annual occurrence of fire and smoke haze for Kalimantan on the island of Borneo. It is the second major fire outbreak for Sumatra in recent years.

Thousands of people have been hospitalized, and some deaths have occurred, as a result of the smoke and smog. Economic activity, especially transport, has been adversely affected. The losses to the economy and the costs of paying for firefighting efforts add up to billions of dollars. The fires are also having a catastrophic impact on wildlife and biological diversity in Kalimantan and Sumatra.

The Association of South East Asian Nations should adopt a systematic control strategy to avoid a recurrence of the fires and the smoke, which traps transport and industrial pollution to create smog. A regional solution is needed. Government involvement is essential to ensure that the strategy is implemented. The international community should give financial and technical support.

The strategy should include a moratorium on use of fire in land clearing by commercial timber and plantation estates and development projects until an effective system of fire control is in place in Kalimantan and Sumatra.

Such a system would apply strict regulations to burning and restrict it in sensitive areas and at times of high fire risk. Better rules and enforcement are needed, backed up by remote sensing from satellites to detect fires and dry areas.

Local authorities must be given powers to enforce the regulations and issue permits before fire can be used in agriculture and waste incineration. Companies and government agencies that use fire must be made financially and legally responsible for prevention and fire fighting, and appropriate fines should be paid.

There should be a complete review of all policies, regulations and practices that may have contributed to the fires in Indonesia. They include subsidies and other economic policies affecting agricultural plantations, internal migration, logging, timber plantations and the plywood, pulp and paper industry.

The way decisions are made to change forest areas into plantations has not been transparent. Vast areas of plantations have been created.

Integrated fire and land-use management plans are also needed to support livelihood programs for local communities so that they, too, feel they have a stake in sustainable agriculture.

The writer is the Indonesia representative of the World Wide Fund for Nature. He contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Klondike Plan

NEW YORK— The United States Government has decided to assist actively the Government of Canada in the suppression of lawlessness in the Klondike region. With the first rush of goldseekers in the spring a thorough police system will be in force. President McKinley has sanctioned a plan proposed by the Navy Department, which contemplates the establishment of several stations on the Yukon river. A surgeon will be stationed at each post when navigation opens in the spring. By far the largest number of travelers to the Klondike will go by the Yukon.

1922: Spies Arrested

PRAGUE— A spy scandal among the Czecho-Slovakian army officers at Brunn is developing into a political sensation. Several officers, among them the adjutant of General Podhasjsky, the military commander of Moravia, have already been arrested on the charge of espionage. It is believed that they are members of an international spy organization. It is certain that they were engaged in work detrimental to the safety of the republic.

1947: Eva Peron Case

BUENOS AIRES— Eleven men are to be tried in the Argentine federal court on conspiracy charges following an alleged plot to assassinate Eva Peron, the President's wife. Federal Judge Maria Louge said the assassination was to have been attempted when Mrs. Peron appeared on the Presidential palace balcony with her husband for proclamation of a law giving votes to women. The judge held that the assassination had been planned as a step toward an armed uprising against the government.

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LANGUAGE

When Potus Met Flotus: A Political Match

By William Safire

WASHINGTON — Controversy was bestirred by a memorandum dated Nov. 20, 1995, from high officials of the Democratic National Committee to Harold Ickes, then deputy chief of the White House staff, asking for "18-20 calls by POTUS" and "10 calls by VPOTUS."

Muckraking political pundits and righteously reformist goo-goos were incensed by this fund-raising from the federal property that — in less populist times — used to be known as the Executive Mansion, but today's exercise in irenic scholarship focuses on the increasing use of an acronym: *Potus*, which stands for "president of the United States."

As a presidential aide in 1969, I first noticed this acronym on a label of an extension of a five-line telephone along the back wall of the West Wing's Cabinet Room. When the button next to that label lighted up, the phone was answered with special alacrity. A similar button labeled *POTUS* was on the telephone set of H.R. Haldeman, the president's chief-of-staff, and was used by him for calls both from and to Nixon.

Jack Valenti, an aide to President Johnson, recalls the initials appearing on phones in that administration, but does not recall anyone using the acronym in everyday speech, as in "What does *Potus* think?" Hamilton Jordan of the Carter administration also says the acronym was not bruited about in their day; its White House use began, it seems, in the



Nicolas Ancin

Nixon era and then disappeared for a while.

In current practice, the acronym is *not used in direct discourse with the* president — nobody says, "How are you feeling this morning, *Potus*?" — but it is a handy, sassily insidish, behind-his-back reference to the individual in that office, as in "Is *Potus* in one of those moods where he wants to see teeth on the sidewalk?"

Bert Lance — reached in Rosebud, a suburb of Calhoun, Georgia — remembers the acronym was the Secret Service designation of President Carter on the "locator," the device that tells top staff members where the president and first family are at every moment. Secret Service agents were reported to have picked up the term in everyday use during the Reagan years, and added a dimension: "To their Secret Service shadows they may be '*Potus*' and '*Flotus*,'" wrote Donnie Radcliffe in The Washington Post in a 1983 citation, the first use in the Nexis database. *Flotus* is "first lady of the United States," an informal designation first applied to Mary Todd Lincoln that has become a quasiofficial title.

In the Clinton administration, the usage was extended to *Vpotus* (pronounced VEE-po-tus) to refer to the vice president.

This rash of acronymese ending in "us" may have begun in wire-service coverage of a different branch of government. *Scotus* is "wirespeak" for "Supreme Court of the United States." In 1983, as the Secret Service usage about the president began to appear in print, a New York Times editorialist took umbrage at rampant acronymization: "Is no Washington name exempt from shorthand? The chief magistrate responsible for executing the laws is *sometimes called the Potus* (president of the United States). The nine men who interpret them are often the *Scotus*." The people who enact them are still, for better or worse, Congress."

This "nine men" error drew an amused retort from Justice Sandra Day O'Connor, who noted the need for updating New York Times files and tongue-in-cheekily added: "If you have any contradictory information, I would be grateful if you would forward it — as I am sure the *Potus*, the *Scotus* and undersigned (the Pwotsc) would be most interested in seeing it."

New York Times Service

BOOKS

COD
A Biography of the Fish That Changed the World

By Mark Kurlansky. Illustrated. 294 pages. $21. New York: Walker & Co.

Reviewed by Molly Benjamin

THIS eminently readable book is a new tool for scanning world history. It leads to a vastly different perception of why folks did what they did. The king of Spain married off his son to the royal house of Portugal, all right; but what was at stake, which nobody in high school told us about, was fishing rights — then as now, fish meant money. Cod was also the original traveling food — dried and salted, it was one of the world's first nonperishables, making it not only an excellent trade item but fuel for centuries of carbo-loaded explorers.

Historians often paint such expeditions as flag-waving episodes. "Cod: A Biography of the Fish That Changed the World" is history filtered through the gills of the fish trade. As Mark Kurlansky, who is also the author of "A Continent of Islands," points out, between 985 and 1011 the Vikings in their open sail-and-oar-powered boats traveled from Norway to Iceland to Greenland to Canada (and probably Massachusetts) — the exact range of the Atlantic cod.

Today's fortunes may be built on items like software, but for most of our history people were very essentially concerned with food: Anyone able to know with certainty where the next meal was coming from was bound to be wealthy and powerful (ordinary people in the Middle Ages, for instance, ate a lot of salted whale meat). The Norsemen discovered that if you hung a codfish out to dry in nippy winter air it lost most of its weight and turned into something nourishing and, when popped into a stew pot, tasty. The Basques had salt and added it to the curing process, an improvement still favored by many cultures, including that of New Englanders, who routinely sit down (usually on Wednesdays) to a meal of mashed potatoes mixed with salt cod and call it good. (There are recipes in this book, not just history.)

As for history, both Columbus and John Cabot were almost undoubtedly aware of the Grand Banks. The kings and queens who underwrote their voyages were hot for the Asian spice trade but were happy when each returned with news of riches of another kind: teeming schools of codfish almost unimaginable to already depleted European fisheries.

If fishermen weren't fishermen, with an intuitive need to not reveal their honey holes, the planet might have been explored earlier. Some 35 years later, Jacques Cartier planted a cross on the Gaspe Peninsula, claiming the territory for France — even as he noted about a thousand Basque fishing boats working just offshore.

In a way, that fact alone tells us how many fish were in those 16th-century seas. For 250 years, 60 percent of all the fish eaten in Europe was cod. By the late 1700s, codfish lifted New England from a distant colony of starving settlers to an international commercial power. The American Revolution was about political freedom, but, Kurlansky says, "in the minds of its most hard-line revolutionaries, the New England radicals," it was about what all revolutions are about: the right to make money.

TODAY, the cod stock off the Massachusetts coast, once the most abundant and meatiest of all, is in trouble. Fishermen say it's coming back. Fishery managers, whose mismanagement helped create the crash, say things are still wobbly. "There's a big difference between living in a society that hunts whales and living in one that views them," Kurlansky notes, one where nature is reduced to "precious demonstrations."

Long ago, humans were forced to give up hunting, and turn to raising domestic mammals. "It's harder to kill off fish than mammals," he says. "But after 1,000 years of hunting the Atlantic cod, we know that it can be done."

Molly Benjamin, a former trawler captain who writes about commercial and sport fishing for The Cape Cod Times, wrote this for The New York Times.

BRIDGE

By Alan Truscott

TENSION at the bridge table reaches a maximum when the contract is a doubled part-score that will produce a game if successful. In a pairs competition, it is likely that the side with a plus will have a top score, particularly if the declarer is vulnerable.

On the diagramed deal it might appear that South would succeed in his contract of two spades doubled, reached after a Michaels cue-bid by North showing spades and a minor. But the defense, by Rob Gordon and Peter Bisgeier, in the East-West seats, was perfect.

The lead was the singleton trump, usually a bad choice but appropriate in these circumstances. Dummy played low, and East won with the king and returned a trump. Dummy won, and South came to his hand with the club king and led the diamond king. This was allowed to win, and a diamond was ruffed.

NORTH
♠ A 10 9 7 3
♡ J 3 2
♢ —
♣ A 8 6 4 2

WEST(D)
♠ 5
♡ A K 10 7 6
♢ A 10 9 8 5
♣ J 9

EAST
♠ K J 8 2
♡ 9 5 4
♢ J 6
♣ Q 10 7 5

SOUTH
♠ Q 6 4
♡ Q 8
♢ K Q 7 4 3 2
♣ K 3

North and South were vulnerable.

The bidding:

West	North	East	South
1 ♡	2 ♡	Dbl.	2 ♠
Pass	Pass	Dbl.	Pass
Pass	Pass		

West led the spade five.

South cashed the club ace, ruffed a club and led the heart queen. West, who had been careful to discard hearts and not diamonds, was now on lead in the position shown at right.

South had six tricks but could take only one more, going one down. West led the diamond ace, and South could not afford to ruff in dummy.

East would have overruffed, cashed the club queen and led a heart to his partner's ace. Then a diamond lead would have promoted the spade eight.

Instead, South threw a club from the dummy and East did the same. Then another diamond was led and South was helpless.

Whether he ruffed or threw a heart, East would score one of his trumps, return a heart to the ace and score another trump trick at the finish after a diamond return.

NORTH
♠ A 10
♡ J 3
♢ —
♣ 8

WEST
♠ —
♡ A 10
♢ A 10 9
♣ —

EAST
♠ J 8
♡ 9 5
♢ —
♣ Q

SOUTH
♠ —
♡ 8
♢ Q 7 4 3
♣ —

CROSSWORD

ACROSS

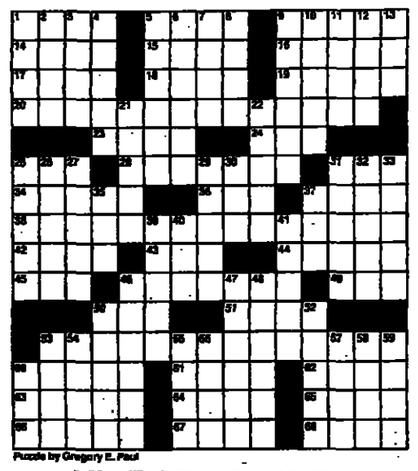
1 "—— Network" (1980's comedy series)
5 False god
9 Phillips head item
14 —— vera
15 Austen's Woodhouse
16 Mild cigar
17 Unload, as stock
18 Ruler's length
19 Hammerin' Hank
20 "Just one gosh-darn minute!"
23 Rebel (against)
24 Vim
25 Part of the Dept. of Trans.
28 Like a taxi
31 Scrooge's cry
34 The "A" in James A. Garfield
36 Tire fill
37 Inter ——
38 "Be polite!"
42 Actress McClurg
43 Handyman's vehicle
44 Detail map
45 Poor grade
46 Preschooler's auto accessory
48 Opposite NNW
50 Hockey's Bobby
51 Farm unit
53 "Hush!"
60 Stocking stuffer
61 Singer Guthrie
62 Russia's Itar—— news agency
63 Musical sightsome
64 Peter the Great, e.g.
65 Nights before
66 Beach spot
67 Chumps
68 *Start all over*

DOWN

1 Window frame
2 Nile queen, informally
3 Tunnel fee
4 South African expanse
5 "Age —— beauty"
6 Add up (to)
7 Love, to Livy
8 Builder's backing
9 *With knees* knocking
10 Purse part
11 Scarce
12 February 14 figure
13 Triumphed
21 Scrumptious
22 "La Bohème," e.g.
25 Widely known
26 Put up with
27 Golfer with an "army"
29 Takes home, as salary
30 Basketball backboard attachment
31 Hallow
32 Buenos ——
33 Waste maker
35 Fruit drink
37 Landers with advice
39 Egg maker
40 Former Mideast inits.
41 Explosive, informally
46 Devise
47 Part of a cold-weather cap
48 The "A" in S.A.G.
50 Playful water animal
52 "Come in!"
53 "Brandenburg Concertos" composer
54 "—— each life some . . ."
55 Horse's mouthful
58 Celestial bear
57 Donated
58 Not new
59 Sinclair rival
60 "Send help!"

Solution to Puzzle of Oct. 10

■	F	R	A	C	A	S	■	C	A	V	O	R	T	S
P	R	O	D	U	C	T	■	A	R	A	P	A	H	O
R	E	S	O	L	E	R	■	L	A	L	A	K	E	R
O	T	S	■	P	R	E	F	A	B	■	L	E	F	T
A	S	I	F	■	B	A	L	M	■	■	D	O	I	■
M	A	N	I	A	■	M	A	A	M	■	W	I	R	E
S	T	I	G	M	A	■	P	R	O	P	A	N	E	S
■	■	H	I	G	H	J	I	N	K	S	■	■	■	■
B	A	C	T	E	R	I	A	■	A	G	H	A	S	T
E	N	O	S	■	A	R	C	H	■	S	A	P	P	Y
L	I	L	■	■	E	K	E	S	■	D	E	E	P	■
O	M	O	O	■	A	L	S	A	C	E	■	L	E	I
V	A	N	I	L	L	I	■	R	O	L	A	I	D	S
E	T	E	S	I	A	N	■	T	R	I	N	K	E	T
D	E	L	E	I	N	G	■	H	E	A	T	E	R	■



Puzzle by Gregory E. Paul

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صكناس الاجيل

U.S. Carrier Enters Gulf As Iran's Navy Deploys

Tehran Says Fleet Starts Sea Exercises

The Associated Press

DUBAI, United Arab Emirates — The U.S. aircraft carrier Nimitz arrived in the Gulf on Sunday, a day after Iran began naval maneuvers in the strategic waterway, through which much of the world's oil passes.

The Nimitz carries 75 warplanes and is accompanied by six warships, said Commander Gordon Hume, spokesman of the U.S. Navy's Fifth Fleet, which has headquarters in Bahrain.

The United States ordered the Nimitz to proceed to the area two weeks ahead of schedule after Iranian aircraft bombed two Iranian insurgent bases in southern Iraq on Sept. 29.

The raids violated the Western allies' "no-flight" zone set up in the wake of the Gulf War.

Washington warned Iran and Iraq, which sent up two fighters after the raid, against further violations of the zone.

On Saturday, the Iranian Navy began maneuvers, which state-run Tehran television said were meant to "display Iran's capability and increasing strength" in the face of the "onslaught of foreigners."

The broadcast showed ships, helicopters and submarines moving into place for the exercises.

More than 50 ships, including two Russian-built submarines, and scores of planes and helicopters will take part in the 10-day exercises, the official Islamic Republic News Agency said.

Asked about the possibility of a conflict with the United States, the Iranian defense minister, Ali Shamkhani, said Tuesday: "We don't see any reason for friction, but we cannot speak about the belligerence of the other side."

On Sunday, a senior Iranian Navy official said U.S. warships, helicopters and radar were closely monitoring the maneuvers.

The Iranian news agency quoted Admiral Ashkbous Danehkar as saying that Iran had "taken all the precautions and measures" to ensure "that the latest naval combat tactics would not be exposed to the enemies."

Admiral Hume said the U.S. Navy was aware of the Iranian maneuvers but he would not comment on the Iranian remarks.

Iran considers the Gulf its sphere of influence and opposes the U.S. military presence in the area. About 20,000 U.S. service members and 20 combat and support ships are deployed in the Gulf.

U.S. May Seek UN Ban On Travel by Iraqis

Reuters

UNITED NATIONS, New York — The United States intends to circulate a resolution this week that may call for travel bans on Iraqi officials, although diplomats say it is far from certain that key Security Council members will approve.

Last week, U.S. officials consulted with several council members. They said America was seeking a travel ban on Iraqi officials responsible for obstructing the work of UN arms inspectors.

But with France, Russia and China disinclined to approve further measures against Iraq, there were doubts whether new sanctions would be adopted.

BRIEFLY

Turks Report Killing 797 Kurds in Iraq

ANKARA — Turkey said Sunday that its troops and Iraqi Kurdish allies had killed 797 separatist Turkish Kurds and lost 46 men in three weeks of fighting inside northern Iraq following an army incursion into the area.

"A total of 797 PKK members have been killed in action and 40 others have been captured alive or surrendered," a military official told the state-run Anatolia news agency in northern Iraq, referring to the Kurdish Workers Party by its initials.

Eleven Turkish soldiers and 35 fighters from the Kurdistan Democratic Party, allied with Ankara, have been killed in the campaign since Sept. 23, the official said, with 50 soldiers and 140 Kurdistan party members wounded. *(AFP)*

Winnie Mandela Faces Truth Panel

JOHANNESBURG — Winnie Madikizela-Mandela, former wife of President Nelson Mandela, goes before the country's Truth Commission on Monday as it probes charges she was directly linked to unsolved crimes dating back from the late 1980s.

Mrs. Madikizela-Mandela was subpoenaed in August to answer allegations of involvement in murders, abductions and torture committed while her former husband was serving a 27-year jail term.

The commission is investigating accusations made against her by 45 witnesses. But the inquiry Monday is expected to last only the day, and nothing she may say to the panel will be revealed in public. An open hearing will be held in November. *(Reuters)*



Massimo Sambucetti/The Associated Press

BLESSED — A Mass being celebrated Sunday at St. Peter's for the beatification of Maria Teresa Fasce, an Italian nun; Elias Del Socorro Nieves, a Mexican priest; Maria di Gesu Emile d'Oultremont, a Belgian who founded an order of nuns, and two Italian priests, Giovanni Battista Piamarta and Domenico Lentini.

Cameroon Begins Voting for President

YAOUNDE, Cameroon — Polling opened in Cameroon on Sunday for a presidential election being boycotted by the main opposition, which has urged supporters to disrupt the ballot, witnesses said.

In the capital, Yaounde, a traditional stronghold of the long-serving president, Paul Biya, only a handful of people had voted at 11 polling stations visited by reporters an hour after polls opened at 8 A.M.

There were no immediate reports of trouble or of attempts to stop people voting. Polling officials said they expected more people to cast their ballots after church services.

The boycott is led by the Social Democratic Front of John Nfru Ndi, whose base is in the English-speaking northwest. *(Reuters)*

Doomed Airliner Tried to Avoid Storm

NUEVO BERLIN, Uruguay — The Argentine airliner that crashed in Uruguay, killing all 74 people aboard, was downed by a violent storm that sent it falling like a fireball, officials and witnesses said over the weekend.

Witnesses said the DC-9 Austral airliner plummeted into a marsh late Friday and was broken into countless pieces, making it almost impossible to recover the remains of passengers and crew.

Despite the pilot's attempts to avoid an approaching electrical storm by rerouting the flight, bound for Buenos Aires from Posadas in northeast Argentina, the plane was probably caught in the eye of the storm and downed, officials said. *(Reuters)*

ISRAEL: *Assassinations Accepted as Necessary*

Continued from Page 1

try, and we don't live in a normal region."

Crown Prince Hassan of Jordan, in a long conversation last week full of bewilderment and barely suppressed rage, put it differently. The Jewish state's tradition of glorifying covert killing, he said, "is a part of Israel's not wanting to become a country that is part of the region."

"For a country that is besieged, taking out figures in other countries who are actively involved in military activities against you, obviously I can see that that is regarded as gallant among the general public," Prince Hassan said. But Israel, he said, must grow out of that view if it wishes to replace its defiant isolation with normalized, peaceful relations with its neighbors.

"If you expect transparent, legally binding peace treaties with countries in the region, then clearly you can't move into your neighbor's turf, a country that entertains open relations with you," the prince added, "and destroy the credibility of that country by using strong-arm methods."

Israelis argue that they are locked in a life or death struggle and have no practical choice of tools. Against hostile governments, officials said, they have other means of pressure and do not resort to assassination. But terrorists, among whom the Israelis count Hamas and, at one time, the Palestine Liberation Organization, can be combated only in kind.

Mr. Netanyahu, in his only televised defense of the assassination mission, said the alternative to "brave decisions" like the one to target Mr. Meshal is to heed "frightened, alarmed voices" that are explaining "why we must sit with our hands tied when facing these murderers."

"It's the old-time religion — eye for an eye," said a senior U.S. diplomat. "It's very biblical, and a basic value of post-Holocaust Jews."

After the PLO's Black September arm mounted a hostage-taking operation in which 11 Israeli athletes at the 1972 Munich Olympics were killed, Mrs. Meir directed Mossad to find those responsible and kill them. In 1993, a former military intelligence director, Aharon Yariv, acknowledged for the first time in public that Israeli hit teams had carried out those orders.

Along the way, in one of the organization's most humiliating mistakes, Mossad assassins killed Ahmed Bouchikhi, a Moroccan waiter in the Norwegian ski resort of Lillehammer. The killers mistook him for Ali Hassan Salameh, a security aide to the PLO leader, Yasser Arafat.

Mr. Salameh, known as Abu Hassan, was widely reported to have played a key role in organizing the Munich Olympics operation. In 1979, the Israelis did catch up with Mr. Salameh and killed him in Beirut.

In 1988 Israeli agents killed Khalil Wazir, Mr. Arafat's senior deputy, known as Abu Jihad. In 1995 they killed the Islamic Jihad leader, Fathi Shikaki, in Malta, and the following year they used a booby-trapped cellular phone to kill Yehiya Ayash, a Hamas bomb maker known as "the Engineer," in Gaza City.

Even Ha'aretz, Israel's most left-leaning newspaper, justified Mr. Shikaki's assassination in an editorial. "In legal terms," the newspaper wrote, "we are talking here about self-defense, of denying the man the capability of continuing to initiate acts of mass murder."

With this history in mind, Mr. Netanyahu's director of communications and policy planning, David Bar-Ilan, defended the prime minister's decision on Mr. Meshal by saying, "He did what every other prime minister would have done."

Mr. Bar-Ilan said he disagreed with references by President Bill Clinton and the U.S. State Department spokesman, James Rubin, to "political assassination."

"We don't consider this political assassination," he said. "This is in the same line — and I'm not saying we did it, because I cannot formally say we did it — as the Yehiya Ayash assassination, the Fathi Shikaki assassination and the Abu Jihad assassination. The whole world cheered the way these assassinations were executed and the results. These were known terror leaders, people who were responsible for the murder of scores if not hundreds of civilians."

Among Israelis, the only fundamental critics of assassination as policy are its Arab citizens.

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Athenée Palace Bucharest Hilton, October 29-30, 1997

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THE WORLD'S DAILY NEWSPAPER

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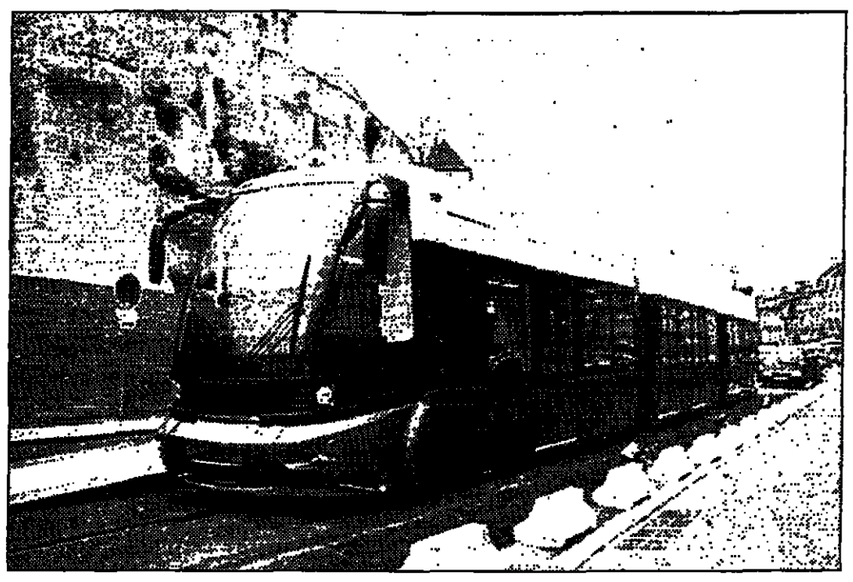
International Herald Tribune A Special Report

French Business & Technology

A New Way Across Town

Transport Project Aims To Alleviate Congestion

By Digby Larner



The TVR, part electric tram, part bus, operates in Caen and will soon be tested in Paris.

PARIS — One of the biggest challenges facing urban transport designers is to find ways of moving people around crowded cities quickly, cheaply and with minimal impact on the environment. In France, where certain car owners recently were prevented from driving in central Paris for a day to cut pollution, the need for progress is especially great.

From next month, residents in parts of Marne-la-Vallee, outside Paris, will be able to try out one possible solution. The TVR (Transport sur Voie Reserve), part electric tram, part conventional bus, is guided by a specially constructed central rail. It runs on pneumatic tires and is fed by an overhead electric cable.

The TVR will be tested on an existing bus route by the Parisian RATP urban transport authority for an indefinite period. With a capacity of up to 200 passengers, it was originally commissioned for the northern French town of Caen where it now operates on a regular 15-kilometer route.

Following its successful introduction there, the designer and manufacturer, ANF-Bombardier of Crespin, France, realized the TVR could be just as effective in larger, more congested cities. An ANF-Bombardier spokesman, Laurent Lhardit, said the main advantage of the new system was that it provided an efficient rail service without the need for the expensive infrastructure of traditional rail transport. "The single rail used by the TVR is relatively cheap and easy to install," he said.

He added, "Because the vehicle can climb gradients of around 13 percent, compared to about 5 percent for trains and trams, there is no need to build special bridges or crossings. You simply install the track on a normal bus route."

Although ANF-Bombardier declined to disclose the TVR's development costs, Mr. Lhardit said the per-kilometer bill for installing TVR track was 30 percent to 50 percent below an average 100 million francs ($17 million) for conventional tramway track. The 1.5 kilometer Transval-de-Marne bus route being used to test the TVR was chosen because it is isolated from other road traffic. But if the RATP does adopt the system, it will be used on city bus lanes next to other vehicles, said Mr. Lhardit.

"Using the rail is important psychologically. Delivery trucks and cars often park or drive in bus lanes because they know that buses can get around them. With a track they wouldn't have the same attitude."

Other vehicles are able to cross the rail when necessary, thereby cutting out the need for special junctions. A spokesman for the RATP said it intended trying out two similar systems before deciding which to use. The TVR, conceived in 1985, is being tried first because it is the only production vehicle currently available.

ALSO in development is the Translohr tram from Lohr of Strasbourg. As with the TVR, it is guided by a single track and fed by overhead electric cables.

With little to choose between them technically, the RATP's choice will be based largely on performance and cost.

Not so for the Civis, the product of a combined effort by Renault, the French auto manufacturer, and Matra Transport International.

Matra-Renault designers recognized that, in creating ever larger buses to carry more passengers, they needed to install powerful motors that, themselves, took up valuable floor space. The Civis, which can be powered by electricity or diesel, has dispensed with the cumbersome drive shafts normally used to link combustion engines with vehicle wheels.

Instead, a diesel engine powers two compact electric motors sitting behind each of the Civis's rear wheels. This gave vehicle designers greater leeway in supplying passenger needs, said Matra-Renault spokesman, Patrice Berger-Perrin.

"It means we can have floors that are level almost throughout the vehicle and which are lower than on normal buses. That makes life easier for elderly and disabled people to get on and off," he said.

While the current Civis prototype carries a maximum 160 passengers, less than the TVR, its designers hope to beat the competition by creating a cheaper-to-install guidance system.

Instead of using a fixed track, Matra-Renault is developing an optical system using cameras. The cameras are installed below the Civis's body and follow a painted line on the surface of the road, making the infrastructural costs lower than for the fixed rail TVR and Translohr.

"The cameras effectively 'read' the painted line and transmit that information to the steering mechanism," said Mr. Berger-Perrin. "That means you can be very precise about the places where stops are situated. The optical system allows drivers to pull up within centimeters of a raised platform, just like on a conventional track, making it easier for passengers to get on and off."

The optical guidance system is still in prototype and not yet ready to be used in a production vehicle. Its dependence on a painted line makes it vulnerable to damaged surfaces, or may be affected by seasonal problems such as leaves and snow.

For all three projects most of the cost is being born by the manufacturers although the RATP is covering some infrastructural costs. All three companies hope to recoup their money from sales to towns both in France and abroad. Mr. Lhardit said that because problems of congestion and pollution are common to many countries, he expected the market for such vehicles to be very large.

DIGBY LARNER is a journalist based in Paris.

Jospin's Method Put to Test

Can He Get a Deal From Business and Labor?

By Joseph Fitchett

PARIS — Prime Minister Lionel Jospin and his Socialist government appear convinced that they need to deliver on campaign promises — even though the Socialist platform was conceived when they seemed to have little chance of coming to power. In office, the new government has had some luck. A spurt of growth, the dollar's rise and U.S. real estate groups' block buys have eased the glut of empty office space in Paris.

Now the Jospin government hopes that this promising start can be translated into a formula for coaxing French employers and unions — including the largest employer, the government and civil servants — into seeking compromise rather than confrontation on economic issues.

For the moment, investors inside and outside France have taken a "wait and see" attitude, focusing on three challenges where Mr. Jospin may get breakthroughs:

- Chronic joblessness.
- Corruption in government-related businesses.
- Privatization and deregulation to expand private initiative.

A defining moment for the Jospin government is the national conference on jobs that opened last Friday. The negotiations between trade unions, the employers' association and the government are aimed at triggering a breakthrough on unemployment. The French jobless rate is about 12.5 percent, although it is much higher among youth.

For public opinion, this statistic has become the main symbol of the country's economic malaise.

A plan to create 350,000 entry-level jobs in the public sector defied conventional economic wisdom but addressed the pessimism of a middle class which fears that its children will no longer be able to find secure employment.

This 10 billion franc ($1.7 billion) program is defended privately by the left as a gesture that will embarrass businesses and unions into compromise on greater flexibility in the labor market.

At the jobs conference, the government hopes to get agreement on its campaign pledge — "a 35-hour workweek paid the same as 39" — by finding practical, cost-neutral ways to implement it.

Many French managers say the real barrier to job creation is the difficulty of laying off workers. Mr. Jospin has pledged that he wants to restore a law requiring prior government approval for any layoffs.

"Even if you could afford the buyouts, the process takes so long that your executives have no time left to do business," said an executive in a privately owned insurance company.

Deregulating the labor market is essentially up to Martine Aubry, the employment minister. Meanwhile, Finance Minister Dominique Strauss-Kahn has two priority assignments. One is the French budget, which he has successfully crafted to keep France on track for the single European currency. The other is privatization. Although banks and many industries have been turned over to the private sector, France's utilities and defense industry and many minor enterprises are still nationalized.

Mr. Strauss-Kahn seems to be steering a middle course. Unlike his conservative predecessors, he seems to be making progress in increasing the market exposure of France Telecom and key defense contractors.

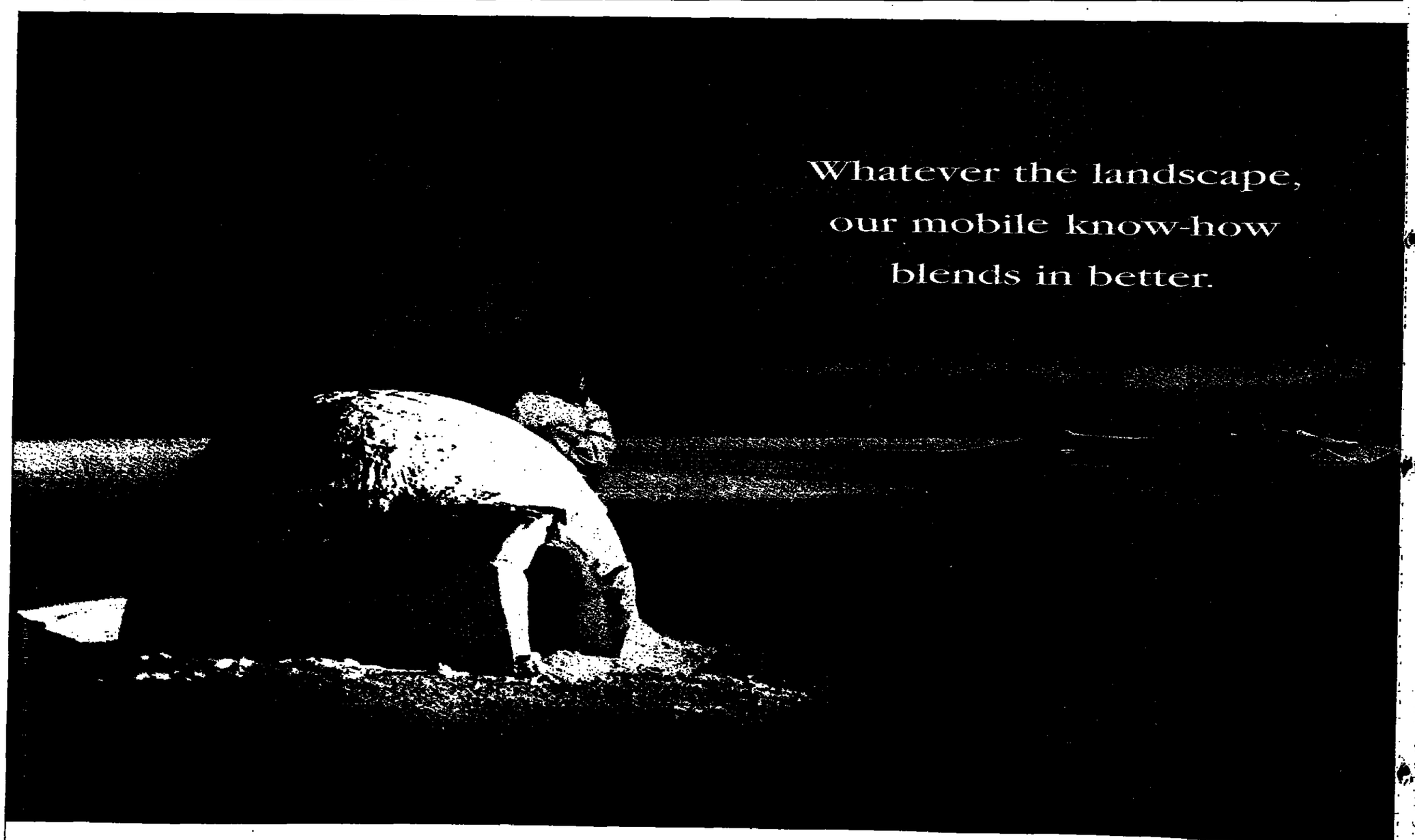
Privatizing them is "desperately essential," according to a foreign financial analyst in Paris, who said the change could "rip open the network that still controls the commanding heights of the economy, ensure that these companies become internationally competitive and deal a body blow to the incestuous ties between government and business that are a source of so much corruption."

THIS area is the responsibility of Justice Minister Elizabeth Guigou. Last week her ministry pressed criminal investigations against executives of the Bouygues group, France's leading public works contractor and also owner of TF1, the nation's leading private television network.

A growing concern in France focuses on links between companies seeking government contracts and also running powerful media companies, especially television, that could try to offer influential coverage as a way of getting business from politicians.

"Flexibility," a taboo word for labor, is central to the government's grammar of action. Last weekend Mrs. Aubry disclosed that she was reconsidering her revenue-saving decision to cut family allowances to well-off households, another example of government efforts to make a deal and not an enemy.

JOSEPH FITCHETT is on the staff of the International Herald Tribune.



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Gerard Dupuis, an artisan at Buffet-Crampon, ensuring that an instrument's internal bore is just right.

Fine-tuning Clarinet Production

By Barry James

MANTES-LA-VILLE, France — Of all the wind instruments, Mozart most loved the clarinet. Von Weber used it to express his most sublime passages. Generations of jazz players have adopted it for its velvety low tones and liquid highs. Intimate as the voice and stretching a remarkable four octaves, the tone of the clarinet is for many musicians as close to perfection as human nature can get.

It's probable that this tone will have been born in Mantes-la-Ville, a small town 60 kilometers (37 miles) west of Paris, which is home to two of the four leading manufacturers of professional instruments in the world, Buffet-Crampon and Henri Selmer.

Both have their factories on the same nondescript back street. Another manufacturer, Leblanc, which is now American-owned, has its factory in the countryside nearby. The fourth, Yamaha, is in Japan.

The production of a fine clarinet relies for the most part on *savoir faire*, handed down from generation to generation, but also on a judicious admixture of sophisticated technology.

At the Buffet-Crampon plant, computer-aided machine tools shape the ebony wood body of the clarinet. But computers cannot handle nuances. It takes the experienced eye and touch of two artisans, Philippe Rougier and Gerard Dupuis, to ensure that the internal bore, which varies along the length of the instrument, is exactly the right size. They, in effect, give the clarinet its soul, because if the bore is an almost imperceptible fraction too big or too small, an experienced player will notice it immediately.

In its 200-year history, the clarinet has been an object lesson in the application of technology to basic acoustical design. From its open-hole, 13-key design in the early 19th century, it has evolved into a complexity of keys, pads, rings and springs.

The instrument took on its modern form in 1939, when Louis-Auguste Buffet, with the help of a virtuoso named Hyacinthe-Eleonore Klose, introduced the first Boehm-system clarinet. This system of movable rings was first devised by Theobold Boehm to improve the flexibility of the flute.

Musicians soon adopted Buffet's new clarinet, and in 1850 the instrument maker moved out of Paris and sought new quarters in Mantes. The city was a center of skilled wood turners and lathe operators because of the presence in the region of large quantities of box trees, whose wood was widely used in furniture making.

Apart from the addition of an occasional key, the design of the clarinet has not fundamentally changed since the time of Buffet and Klose. But Buffet-Crampon took the market by surprise a few years ago by introducing high quality instruments made of reconstituted wood rather than natural ebony — a risky move given the conservatism of most classical musicians.

Paul Baronnat, Buffet-Crampon's managing director, said he decided to develop the material after attending a conference in Japan on exotic wood forests, when he became aware of a threat to the future supply of ebony.

"It's my job to think of the future," he said. "If the supply of wood was to be restricted, how were we going to be able to keep on manufacturing?"

Virtually all of the wood for making top-class clarinets and oboes comes from dwindling forests in Mozambique and Tanzania. Because of overcutting, the quality of the wood has declined, and the governments of both nations have limited logging.

It takes up to 80 years for a tree to produce wood of the right quality, and it takes several more years to dry the cut wood before manufacturing can begin.

Study instruments are often made of plastic or resin, but this would never do for a professional instrument in which the carefully selected wood provides subtle and unique sonorities.

Mr. Baronnat invited an engineer to study the problem, and a possible solution was identified. The engineer noted that up to 40 percent of the billets from which the clarinet bodies and bells are made were rejected because of flaws, often so tiny that only an expert could spot them. In addition, a large amount of wood waste was produced as the billets were turned on the lathe. If this wood could be reused, it would solve the company's supply problem.

Years of experimentation followed. The results either looked wrong, or sounded wrong, and on several occasions, Mr. Baronnat said, he was tempted to abandon the project. But eventually the company succeeded in producing a material — a secret recipe of powdered ebony wood, carbon fiber and epoxy — that looks exactly like natural ebony and, more important, sounds like it. The composite material, which includes 95 percent ebony powder, is no cheaper than natural wood; it is so hard that the company had to develop new machine tools to handle it.

THE KEY test for the new instruments, which the company calls Greenline, was whether they would be accepted by musicians. When professionals visit the factory to buy a new clarinet, they usually try a score of instruments. Mr. Baronnat slips two or three unlabeled Greenline clarinets into the mix and, he says, few of the players notice the difference.

The material has caught on with players in the United States because it seems to resist changes of climate. About 10 percent of the clarinets that Buffet-Crampon ships to the United States next year will be made of the composite material, as will all its oboes.

After World War II, musical instruments were one of France's main exports, and Buffet-Crampon still exports most of its production. It has 90 percent of the market for high-quality clarinets in Japan, its main export destination, despite Yamaha. Mr. Baronnat said he already has orders for all of the 20,000 instruments the company expects to produce next year.

BARRY JAMES is on the staff of the International Herald Tribune.

Over There, the Cash Is Always Greener

'La Différence' Takes Getting Used to When French Buy U.S. Firms

By Joseph Fitchett

PARIS — While France often seems to cringe at the challenge of globalization, some major French corporations have thrived on international liberalization in the 1990s, emerging as top investors in foreign markets, notably the United States.

The United States is by far the leading recipient of these French investments, with roughly 200 billion francs there, about $34 billion.

Because of their takeovers in the United States, French companies hope to become world-class competitors by gaining market share and sales expertise, especially in Asia.

But such trans-Atlantic mergers face special problems, challenges that a new book says require sophisticated adjustments by France's top managers. Too often, they fail to recognize the gulf between the results-oriented U.S. approach based on customer satisfaction and an elitest management tradition in France.

"In France, they count on very sophisticated people; in the United States, the sophistication is in the system of organization," said an American who knows both sides.

The comment appears in a new book, "A La Conquete du Marche Americain," analyzing recent major French takeovers in the United States. It is tentatively titled "Conquering the American Market" by its Paris publisher, Editions Odile Jacob.

In it, Guillaume Franck, an industrial analyst and business school professor, concludes that the biggest challenge for French companies is "to get beyond their own cult of technological excellence and recognize the virtues of producing cheaply in response to changing market demand."

Mr. Franck has another golden rule: "French companies in the United States succeed when they are run like U.S. companies."

For example, Saint-Gobain, whose core business is glass and building materials, was catapulted to world leadership in ceramics and abrasives by its takeover of Norton. The success of Jean-Louis Beffa, the Saint-Gobain head, stemmed partly from his reliance on a French executive, Michel Besson, who had a flair for managing Americans.

In contrast, Thomson Consumer Electronics' acquisition of General Electric's RCA consumer products operation misfired, partly because the new French corporate head, Alain Prestat, committed the new company to sophisticated technology to such a degree that it disoriented the sales forces and executives who were the backbone of RCA's strength in the U.S. television set market.

Both Saint-Gobain, a publicly held company, and Thomson, a state-owned concern, tried to create a common business culture for their respective new ventures. Mr. Besson moved fast, decapitating the old management, then moving Norton's headquarters to Saint-Gobain's main American factory in New England to demonstrate the French owner's commitment to a bright industrial future. In turn, the U.S. executives helped Saint-Gobain learn the value of responsiveness to consumer demand. "The French model involves turning out the best technological product and expecting customers to buy it, even if the old model they have is still functioning satisfactorily," Mr. Franck notes.

While Saint-Gobain learned lessons from the U.S. market, Thomson took time to find its footing — and then seemed determined to invent new rules.

In both companies, U.S. executives were impressed by their French owners' willingness to invest for long-term goals, especially on new technology.

In addition, executives, especially at Norton, were energized by French readiness to go after promising markets anywhere in the world — in Japan, for example, if prospects there were better than in North America.

"Even though American companies sometimes know a great deal more about Asia than we do, we are more likely to integrate international markets in our basic strategy," said a French executive quoted in the book but not identified.

Despite such similarities, Saint-Gobain's style proved more productive, partly because Mr. Besson was allowed to manage Norton and the Saint-Gobain abrasives division with the autonomy of a chief operating officer.

"Americans like to work for one person, with whom they expect to form a team, so they needed a structure that respected this kind of motivation," Mr. Besson said.

As a result, the Americans learned to put up with French habits of demanding very detailed reporting from subsidiaries. "I kept wanting to send my subordinates, who knew more details, to give them specific answers," a Norton executive said of the reporting requirements, "but the French seem to think it's a loss of face if you're not a generalist who handles everything yourself."

In his conclusions, Mr. Franck portrays the American challenge as essential for weaning French companies from overindulgence in overly innovative design and technology. "The penchant is left over from the postwar era and the strength of de facto cartels," he says, adding that it is is becoming dangerously outmoded in the era of globalization. Saint-Gobain, the last French company dating from the era of Colbert and Louis XIV, owes much of its current success to its U.S.-style responsiveness to consumer preference.

In contrast, Thomson Multimedia, gambled heavily on technology at the risk of ignoring market realities, Mr. Franck found. In buying RCA in 1990, which General Electric had held indifferently for two years, Thomson hoped to wrest control of the home entertainment market from Sony, Matsushita, Philips and new South Korean competitors such as Samsung and Daewoo.

After fumbling, the company was in trouble by 1992, when the French government put it in the hands of Mr. Prestat. His plan amounted to abandoning the low end of the gigantic U.S. market, then recapturing it with a crash program aimed at the high-value-added end.

The idea was to cut costs and to force-feed technology by centralizing research and development in Paris. At first, the program seemed to work, partly because the development drive was put under an American technician familar with digital-technology patents developed by RCA. Enhanced by Thomson, these inventions gave the company an early lead in the race to develop consumer television based on direct broadcasts from satellites.

THAT prospective bonanza reinforced a tendency in Thomson to neglect the corporate strength of RCA's position in in its home market. Some RCA executives started feeling neglected.

Instead of synergy, the effect was confusion. "I need to work for somebody, and I need to know his vision," a former RCA senior executive complained. His reaction was typical of American executives, who depend heavily on big annual bonuses and count on their direct superiors to ensure that they get theirs, Mr. Franck points out.

The system of bonues and share options is comparatively embryonic in France, so the Americans' expectations not only sounded unfamilar in Paris but also were difficult to satisfy in some cases without distorting the corporatewide compensation.

Wracked by internal problems and a debt burden that the French government refused to ease, Thomson was the target last year of a takeover bid by Daewoo, a South Korean competitor. Nationalistic opposition in France blocked the sale, and Paris recently set an 11 billion franc bailout for the company, effectively ending Thomson's chance of becoming a global leader in consumer electronics.

The Gamble Over a Shorter Workweek

By Barry James

PARIS — Can a reduction of the workweek effectively reduce unemployment? French government officials admit privately that they do not know the answer. They say the administration's decision, announced Friday, to move to a 35-hour week by the end of the century might not have the desired effect on the climbing rate of unemployment, now at a postwar record of about 12.5 percent.

Companies could increase productivity to compensate for shorter hours. Or they could remain at 39 hours, paying workers a relatively small premium for the extra hours. In either case, the effect on jobs would be slight.

The government is hoping, however, for a radical restructuring of the way companies and people work and a significant fall in the number of jobless.

Employers don't like the proffered deal. They say it will make France uncompetitive and actually increase unemployment.

The quid pro quo of a shorter week is wage moderation, which is the only way companies will be persuaded to accept the measure. Yet the country has already undergone several years of general wage restraint — salaries declined an average of 1.3 percent in 1996 — and some sectors of the labor force are getting restive as witnessed by last week's strike of railroad and Metro workers and a protest by steelworkers in Paris.

A key element in getting the government's proposal accepted is the attitude of the labor unions.

At first sight, it is difficult to see why this should be so. Fewer than one French worker in 10 is a member of a union, half as many as in 1980. This is partly due to the fragmentation of society into other organizations dealing with single issues such as feminism or ecology.

Nevertheless, governments of both the right and the left find it more convenient to deal with the unions on social issues rather than directly with the mass of unorganized workers. Along with representatives of the employers, leaders of the main union federations were among the principal interlocutors at a much-heralded meeting Friday on jobs, wages and the shorter workweek.

Apart from labor organizations representing Christian workers and management, the mass of workers form part of three umbrella organizations: Communist, noncommunist left and democratic center.

The Communist-led General Confederation of Workers (CGT) has been the source of much of France's labor unrest over the past couple of years. Yet its secretary-general, Louis Viannet, proved relatively accommodating at Friday's meeting, according to officials who were there. He said that if companies were ready to compromise, the CGT was ready to talk labor "flexibility." But he defined the employers bitter opposition to the shorter workweek as "absolutely insupportable," and warned that if they persisted, the CGT would be "combative in the battle."

Mr. Viannet had been seeking an immediate move toward a 35-hour week with no loss in pay, and in this he was disappointed. The government's proposals are subtler and will depend on a great deal of cooperation between employers and employees.

A relatively tough line has emanated from Marc Blondel, the head of Force Ouvriere (Workers' Force), the "moderate" union set up with the help of CIA funds after the war to counter Communist influence. He demands an immediate increase in purchasing power, especially for low-paid workers, as a means of encouraging consumer confidence and creating jobs.

One of the most interesting characters on the labor scene is Nicole Notat, secretary-general of the Democratic French Labor Confederation (CFDT), a large organization with some 700,000 adherents, which was founded along broadly social Christian lines.

Mrs. Notat says an effective alternative to the market economy does not exist; therefore a union's role is not to resist change but to humanize society and to help in its transformation. She views the construction of Europe as an key element in achieving this change.

She attracted bitter hostility in 1995 for supporting the social security austerity program of Alain Juppe, the former conservative prime minister. And she is on good terms with members of the present government, such as Martine Aubrey, the minister in charge of employment and solidarity.

A pragmatist, she has helped shift the center ground of French trade unionism. She supports the 35-hour week, but unlike her fellow union leaders, she argues for the maximum amount of flexibility — for example spreading the number of hours worked over a year so that companies could be sure of having workers when they were needed.

Jean Gandois, head of the French Employers Council (CNPF), spoke angrily after the unemployment meeting of having lost a battle but not the war over the 35-hour issue. Yet officials said he had been relatively conciliatory at the meeting, and that the main opposition seemed to have come from his two hardline deputies, Denis Kessler and Didier Pineau-Valencienne. In any event, the unions derive considerable amusement in noting that Mr. Gandois is director of a Belgian steel company, Cockerill Sambre, that recently adopted a 34-hour week in order to preserve jobs.

The government hopes the shorter workweek will be achieved through negotiation rather than having to be imposed on companies against their will. Government economists cite the example of several companies that have reorganized their activities around shorter hours with gains in productivity and efficiency. Gaz de Bordeaux, a mixed private/public company, for example, put its workers on a four-day week with no loss of productivity or profits.

Mr. Jospin argues that the time is propitious. With the exception of its bleak record in creating jobs, France's export-led economy is strong. And despite concerns about labor productivity, it is Europe's second largest destination for inward investment after Britain.

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CAPITAL MARKETS ON MONDAY

Rate Riddle: Did Germany Fire a Single Shot or Open a Campaign?

By Carl Gewirtz
International Herald Tribune

PARIS — Was it a coordinated action aimed at piercing the euphoria building in financial markets? Or was it simply coincidence that in the same week that the chairman of the Federal Reserve Board issued a vigorous warning about the risk of inflation, the central banks of Germany, France, Austria, Belgium, Denmark and the Netherlands raised interest rates?

The answer probably doesn't matter, because the outcome was identical — a surge of uncertainty, knocking down prices of bonds and equities and rattling the foreign-exchange market, that is likely to bedevil markets well into next year.

The rise in German rates was the most controversial element in the assault on the markets' glow — which just a week ago had driven long-term interest rates to a record low in Germany and to a low for the year in the United States.

Was the German move a one-time shot, or was it the beginning of a series of actions aimed at normalizing domestic monetary conditions?

The question may sound esoteric, but the answer will have a huge impact on growth prospects in Europe and asset prices in Europe as well as the United States because the value of the dollar is also at stake.

Because no one knows the answer, prices on stocks, bonds and currencies probably are headed for a period of considerable volatility.

Serge le Gal at Caisse des Depots, France's largest institutional investor, is among those who say the Bundesbank move was a one-time action aimed at reassuring German investors that the Deutsche mark and its planned successor, the euro, will be strong currencies.

John Llewellyn at Lehman Brothers in London, on the other hand, expects a series of increases. He figures that German monetary conditions are the most lax they have been since 1980 and that it is time for them to move still closer to neutral. As long as this correction "proceeds gently and with an eye on what's happening in the foreign exchange market," Mr. Llewellyn said, he sees no risk to a broad-based economic recovery even if German short-term rates over the next year rise as high as 4.5 percent and the dollar slides to around 1.60 DM.

The thrust of his argument is widely shared. Analysts at J.P. Morgan put the neutral level for short-term rates at 5 percent, and the view at Morgan Stanley is not much different. After last week's rise, the overnight cost of money in Germany was set at 3.3 percent, and the dollar finished the week at 1.7495 DM.

The view at Deutsche Bank falls between these extremes. "We don't see a major rise in interest rates," said Christophe Hott. "In a worst-case scenario, there might be another half-point increase next year."

But even last week's increase of 0.3 percentage point was roundly criticized by Charles Wyplosz, a monetary specialist at the Graduate Institute of International Studies in Geneva. "The increase was way premature," he said, adding: "It's typical of what you would expect from the Bundesbank. If there is a choice between being moderate or tough, count on them to be tough."

He agrees with the general view that a rise of 30 basis points is not sufficient to damage the economic recovery that is just taking root in Germany. But the increase "certainly can't help the recovery," he said, and if it is the start of a bigger move, he fears the authorities will be creating unnecessary headwinds that will prevent a robust rebound.

Mr. Wyplosz also dismisses arguments that the increase was necessary to begin harmonizing short-term interest rates within the European Union so that by the time monetary union occurs, the region's key overnight cost of money will only have risen modestly in the low-rate countries and fallen modestly in the high-rate states.

"That is pure rubbish," said Brendan Brown at Tokyo-Mitsubishi Bank in London. Along with Mr. Wyplosz and Mr. le Gal, Mr. Brown argues that German rates are the benchmark for the zone and that higher rates in countries such as Italy, Spain and Portugal are a function of the uncertainty about their joining the monetary union.

"There is no reason for this risk premium to disappear until the member countries are officially named," said Mr. Brown, "and, as we have seen with the convergence in long-term rates, the high-yielders come down to German levels. German rates have not risen halfway to meet them."

As Mr. Wyplosz said, when rates in Germany rise, rates everywhere else in the likely euro zone do too — as they did last week in Spain, Portugal and Italy.

Mr. Brown agrees with Mr. le Gal that the German action was not the start of a larger move and shares his view that European bonds look like a buy after the setback last week pushed the yield on 10-year German government paper up nearly a quarter-point to 5.61 percent. Both argue that European inflation is still headed lower and that long-term yields should fall sharply.

Based on this benign view of European interest rates and an expectation that the Fed will soon raise U.S. rates, they see the dollar rising through the end of the year toward 1.85 DM.

But for Jan Loeys at J.P. Morgan, "it's very hard to be bullish about bonds." With inflation still relatively low in Germany and the United States, he said, the tightening of monetary policy should have only limited adverse impact on long-term bonds. But even there, he sees yields moving up and prices falling. He expects paper in the maturity range of two to five years to suffer most.

Neil MacKinnon at Citibank in London sees the dollar possibly weakening as far as the high 1.60s against the mark until the Fed raises U.S. interest rates, a move still widely not widely expected before next year despite last week's warning.

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Oct. 10. Prices supplied by Telekurs.

Austrian Schilling

Rnk Name	Cpn	Maturity	Price	Yield
232 Austria	6⅛	07/15/27	100.9000	6.1900
234 Austria	5⅝	07/15/07	100.6000	5.5900

British Pound

Rnk Name	Cpn	Maturity	Price	Yield
138 Abbey	6	08/10/99	97.6942	6.1400
160 BA Credit Card	7⅛	10/15/04	99.8750	7.1300
209 Britain	7¼	12/07/07	105.5630	6.8700
210 Fin.For Resid	11.126	09/30/50	144.4401	7.7000
217 World Bank	zero	07/17/00	81.7500	7.5400
236 EBRD	6.2000	02/14/00	98.2500	6.3100

Canadian Dollar

Rnk Name	Cpn	Maturity	Price	Yield
169 Canada	7¼	06/01/07	112.3000	6.4600
222 Canada	6	03/15/98	100.9650	5.9400

Danish Krone

Rnk Name	Cpn	Maturity	Price	Yield
3 Denmark	7	11/15/07	107.2200	6.5300
5 Denmark	8	03/15/06	113.6000	7.0400
10 Denmark	7	11/10/24	105.5700	6.6300
20 Denmark	8	11/15/01	109.9000	7.2800
28 Denmark	6	12/10/99	102.4000	5.8600
33 Denmark	9	11/15/00	111.3500	8.0800
34 Denmark	7	12/15/04	107.3000	6.5200
43 Denmark	6	11/15/02	102.6900	5.8400
44 Denmark	8	05/15/03	111.6500	7.1700
62 Denmark	6	02/15/99	101.9500	5.8900
66 Nykredit	6	10/01/26	93.7500	6.4000
73 Nykredit	7	10/01/29	97.8000	7.1600
82 Denmark	9	11/15/98	104.7800	8.5900
92 Rea Danmark	7	10/01/29	96.4500	7.2600
151 Deutsche Fin	zero	11/18/26	13⅛	7.0200
155 Denmark	7	02/15/98	100.9400	6.9300
235 Real Kredit	6	10/01/26	93.5000	6.4200

Deutsche Mark

Rnk Name	Cpn	Maturity	Price	Yield
1 Germany	6	07/04/07	103.6329	5.7900
6 Germany	6	01/04/07	104.1200	5.7600
7 Germany	6½	07/04/27	105.7902	6.1400
9 Bundesobligat	4½	02/22/02	99.0420	4.5400
11 Germany	6¼	04/26/06	105.6350	5.9200
13 Germany	8	07/22/02	113.2289	7.0700
14 Germany	8	01/21/02	112.2900	7.1200
15 Germany	6½	10/14/05	107.2040	6.0600
16 Germany	4½	05/17/02	98.8200	4.5500
18 Treuhand	7½	09/09/04	112.7833	6.6500
19 Treuhand	7⅛	12/02/02	110.9400	6.6500
22 Germany	4	09/17/99	99.8033	4.0100
23 Germany	9	10/20/00	112.3500	8.0100
24 Germany	6⅞	05/12/05	107.2639	6.4100
25 Germany	7⅜	01/03/05	109.3826	6.7400
27 Germany	3½	06/18/99	99.2600	3.5300
29 Germany	5	05/21/01	101.2946	4.9400
30 Germany 94	6¼	01/04/24	99.2575	6.3000
31 Germany	6	01/05/06	103.9150	5.7700
35 Germany	3¾	03/19/99	99.7300	3.7600
36 Treuhand	7¾	10/01/02	111.0994	6.9800
37 Treuhand	7⅛	01/29/03	109.6350	6.5000
40 Germany	8¾	08/20/01	114.2200	7.6600
41 Germany	8¼	09/20/01	112.9711	7.3000
42 Germany	7⅛	12/20/02	109.9297	6.4800
45 Treuhand	6¾	05/13/04	108.4700	6.2200
46 Germany	5⅞	05/15/00	103.5825	5.6700
47 Germany	6	02/16/06	103.9400	5.7700
48 Treuhand	6⅝	07/09/03	107.5500	6.1600
52 Treuhand	6⅞	06/11/03	108.7400	6.3200
53 Germany	5¾	08/22/00	103.5600	5.5500
58 Germany	5	08/20/01	101.3000	4.9400
59 Treuhand	6½	04/23/03	106.9250	6.0800
60 Germany	7½	11/11/04	113.0160	6.6400
63 Germany	6½	07/15/03	107.3994	6.0500
64 Germany	6¾	09/15/99	103.0621	6.5500
65 Germany	7¼	10/21/02	109.9800	6.5900
67 Germany	6	06/20/16	100.8848	5.9500
70 Germany	4¾	11/20/01	99.9820	4.7500
71 Germany	6	09/15/03	104.7975	5.7300
72 Germany	7	01/13/00	105.8225	6.6100
74 Treuhand	5	12/17/98	101.3000	4.9400
75 Germany	6½	03/15/00	104.9000	6.2000
76 Germany	8¾	05/21/01	112.0500	7.4700
77 Treuhand	6¼	03/04/04	105.9000	5.9000
79 Germany	6¾	07/15/04	108.6900	6.2100
80 Germany	3½	12/18/98	99.6300	3.5100
81 Germany	3½	09/18/98	99.8800	3.5000
83 Germany	8½	02/20/01	111.7800	7.6000
85 Treuhand	6¾	07/01/99	103.7300	6.1500
86 Germany	6¾	04/22/03	108.1350	6.2400
89 Germany	5⅛	11/21/00	101.7550	5.0400
93 Germany	8¼	12/20/00	112.4700	7.8900
94 Germany	5¼	02/21/01	101.9400	5.1500
97 Germany	6⅛	05/20/99	103.2200	5.9300
99 Treuhand	6⅛	03/26/98	101.2000	6.0500
100 Germany	8½	08/21/00	110.5400	7.6900
104 Treuhand	5	01/14/99	101.3400	4.9300
106 Treuhand	5¾	04/29/99	102.5500	5.6100
107 Germany SP	zero	01/04/24	19.7400	6.3700
109 Germany	6	02/20/98	100.8900	5.9500
115 Germany	6⅞	12/02/98	103.3200	6.6500
116 Germany	9	01/22/01	113.0700	7.9600
119 Germany Tbills	zero	01/16/98	99.1623	3.1500
120 Germany	6½	01/20/98	100.8600	6.5700
122 Germany	8¾	07/20/00	110.9400	7.8900
125 Germany	7	09/20/99	105.2400	6.6500
126 Stadtsparka	5¾	10/02/07	99.4800	5.7800
127 Germany FRN	3.0480	09/30/04	99.2200	3.0700
128 KFW FRN	3.1352	09/23/02	99.8500	3.1400
131 Export Bk FRN	3.9063	10/06/00	99.5600	3.9200
137 Germany	5⅝	08/20/98	101.7700	5.6500
143 Germany	zero	07/04/27	15.90	6.3800
147 Treuhand	7	11/25/99	105.5400	6.6300
159 Germany	6⅝	05/20/98	101.6900	6.2700
165 Germany	6½	01/02/99	103.0380	6.3100
171 Germany	6⅞	02/24/99	103.7900	6.6200
172 Germany	5⅜	02/22/99	102.0316	5.2700
174 Treuhand	6⅛	06/25/98	101.7200	6.0200
188 Germany	7¾	02/21/00	107.5400	7.2100
199 Germany SP	zero	07/04/07	58.7400	5.6100
200 Germany	6¼	02/20/98	100.9700	6.1900
201 Germany FRN	3¼	04/06/00	99.7320	3.2600
204 Germany	8¾	05/22/00	110.4750	7.9200
207 Treuhand	6	11/12/03	104.6000	5.7400
224 Cap Credit Card	5⅜	08/15/01	102.4656	5.4900
237 Italy	5¾	07/10/07	100.5000	5.7200
250 Treuhand	6¼	07/29/99	103.6800	6.0300

Dutch Guilder

Rnk Name	Cpn	Maturity	Price	Yield
54 Netherlands	5¾	02/15/07	101.4000	5.6700
56 Netherlands	6¼	07/15/98	101.7000	6.1500
78 Netherlands	5¾	09/15/02	102.8600	5.5900
84 Netherlands	7½	01/15/23	117.70	6.3700
96 Netherlands	6¾	11/15/05	108.2000	6.2400
98 Netherlands	8½	03/15/01	111.3000	7.6400
103 Netherlands	8¼	06/15/02	113.1000	7.2900
105 Netherlands	9	05/15/00	110.5500	8.1400
108 Netherlands	9	01/15/01	112.40	8.0100
130 Netherlands	7½	06/15/99	105.0500	7.1400
134 Netherlands	7	03/15/99	103.8000	6.7400
136 Netherlands	7½	04/15/10	115.45	6.5000
142 Netherlands	zero	10/31/97	99.2307	13.0400
145 Netherlands	7	02/15/03	108.5300	6.4500
149 Netherlands	7	06/15/05	109.7000	6.3800
152 Netherlands	6¾	10/01/98	102.6000	6.5800
156 Netherlands SP	zero	01/15/23	20.2500	6.5200
158 Netherlands	7¾	03/01/05	114.20	6.7900
162 Netherlands	6	01/15/06	103.3000	5.8100
168 Netherlands	5¾	01/15/04	102.6500	5.6000
178 Netherlands	6½	07/15/98	101.8500	6.3800
185 Netherlands	6½	04/15/03	106.3000	6.1100
196 Netherlands	8½	06/01/06	120.1500	7.0700
206 Netherlands	6¾	02/15/99	103.2500	6.5400
208 Netherlands	8¾	09/15/01	113.3500	7.7200
212 Netherlands	8¾	05/01/00	109.8000	7.9700
218 Netherlands	7¼	10/01/04	111	6.5300

Spanish Peseta

Rnk Name	Cpn	Maturity	Price	Yield
179 Spain	7.9000	02/28/02	109.9420	7.1900
205 Spain Bonos U	5	01/31/01	98.6080	5.0700

Finnish Markka

Rnk Name	Cpn	Maturity	Price	Yield
167 Finland Serial s	7¼	04/18/06	110.4832	6.5600

French Franc

Rnk Name	Cpn	Maturity	Price	Yield
51 Cyberval FRN	3.4477	07/06/02	100.0700	3.4400
129 France OAT	7¾	10/25/05	115.2400	6.7300
173 France BTAN	4½	07/12/02	97.0000	4.6400
182 France OAT	7¼	04/25/06	112.2400	6.4600
211 France BTAN	4¾	04/12/99	101.1238	4.7000

ECU

Rnk Name	Cpn	Maturity	Price	Yield
114 France OAT	5½	04/25/07	98.6900	5.6700
144 France OAT	6	04/25/04	103.5100	5.8000
202 France OAT	7	04/25/06	109.5000	6.3900
214 France OAT	8¼	04/25/22	125.2500	6.5900
227 France BTAN	4½	07/12/02	97.1250	4.6300
248 France OAT	7½	04/25/05	112½	6.6700

Japanese Yen

Rnk Name	Cpn	Maturity	Price	Yield
177 EIB Sr13	2⅛	09/20/07	100.5000	2.1100
192 NTT	2½	07/25/07	103.3750	2.4200
215 World Bank	4¾	12/20/04	120.3750	3.9500
225 World Bank	5¼	03/20/02	117¼	4.4800
233 Austria	4½	09/28/05	119⅝	3.7700
239 World Bank	4½	06/20/00	109.6250	4.1000
242 World Bank	4½	03/20/03	115⅝	3.8900
244 Commonwealth	zero	09/20/07	120.5533	0.0000

Italian Lira

Rnk Name	Cpn	Maturity	Price	Yield
133 Deutsche Bk Fin	zero	01/20/32	8¾	7.5000
180 Deutsche Bk Fin	zero	10/15/26	13.5900	7.1100
223 Morgan Guar Ny	zero	01/21/27	12¾	7.2800
238 Italy	6¾	07/01/07	104.7700	6.4400

New Zealand Dollar

Rnk Name	Cpn	Maturity	Price	Yield
157 Canada	6⅝	10/03/07	97.5000	6.7900

Swedish Krona

Rnk Name	Cpn	Maturity	Price	Yield
110 Sweden 1037	8	08/15/07	113.7610	7.0300
184 Sweden	11	01/21/99	107.2440	10.2600
190 Sweden 1036	10¼	05/05/00	111.3420	9.2100
193 Sweden	6	02/09/05	99.7880	6.0100
194 Sweden	6½	10/25/06	102.4340	6.3500
245 Sweden	10¼	05/05/03	120.6750	8.4900

U.S. Dollar

Rnk Name	Cpn	Maturity	Price	Yield
2 Brazil Cap S.L.	4½	04/15/14	96.3757	4.6700
4 Argentina par L	5½	03/31/23	77.3750	7.1100
8 Brazil	10⅛	05/15/27	103.6500	9.7700
12 Brazil L FRN	6⅞	04/15/06	93.4362	7.3600
17 Mexico	11½	05/15/26	122.6010	9.3800
21 Argentina	9¾	09/19/27	101.1119	9.6400
26 Argentina	6⅞	03/29/05	91.8102	7.2800
32 Argentina	11¾	01/30/17	116.2258	9.7900
38 Venezuela	9¼	09/15/27	96.2485	9.6100
39 Brazil par ZI	5¼	04/15/24	75.8805	6.9200
49 The Russ	10	06/26/07	105.8751	9.4500
50 Brazil FRN	6⅞	01/01/01	99.1875	6.8700
55 Venezuela par A	6¾	03/31/20	90.1430	7.4900
57 Brazil S.L FRN	6⅞	04/15/12	86.2500	8.0400
61 MexicoparA	6¼	12/31/19	84.2500	7.4200
68 Venezuela FRN	6¾	12/18/07	95.0000	7.1100
69 Mexico N	6¼	12/31/19	84.2500	7.4200
87 Bulgaria FRN	6⅞	07/28/11	82.3294	8.1200
88 Brazil S.L FRN	6⅞	04/15/09	90.5000	7.6700
90 Ecuador FRN	6⅞	02/28/25	83.8100	7.9800
91 Argentina FRN	6⅞	03/31/23	91.2500	7.5300
95 Canada	6⅛	07/15/02	100.1860	6.1100
101 Mydfa FRN	6⅞	09/09/07	87.9140	7.6100
102 Brazil S.ZI FRN	6⅞	04/15/24	89.6300	7.6700
111 Mexico	11⅜	09/15/16	121.6250	9.3500
112 Mexico	9⅞	01/15/07	108.3750	9.1100
113 Ecuador FRN	3¼	02/28/15	80.0958	4.0600
117 Bulgaria FRN	6⅞	07/28/24	83.3775	8.0200
118 Peru Front	3¼	03/07/17	64.3750	5.0500
121 Ecuador par	3½	02/28/25	58.7500	5.9600
123 Brazil	6	09/15/13	84.0000	7.1400
124 Argentina FRN	5.6262	09/01/02	121.0000	4.6700
132 Mexico A FRN	6.8672	12/31/19	96.2500	7.1300
135 Italy	6⅞	09/27/23	99.7599	6.8900
139 Kazakstan	8¾	10/02/02	101.2500	8.2700
140 Mexico B FRN	6.8359	12/31/19	98.0092	6.9700
141 First Chi FRN	5.8188	09/23/02	99.9447	5.8200
146 Bayerische LB	6⅝	06/25/07	100.7500	6.5800
148 SEK	6⅛	10/02/00	100.0000	6.1300
150 Bco Brasil FRN	6⅞	10/14/99	85.5513	7.9600
153 Van Kampen	6.0188	10/08/07	99.8500	6.0300
154 Peru Pdi	4	03/07/17	68.8750	5.8100
161 Canada	6⅝	08/28/06	103.4012	6.5300
163 IADB	6⅝	03/07/07	101.6250	6.5200
164 Poland Inter	4	10/27/14	90.6837	4.4100
166 Mexico D FRN	6⅞	12/28/19	95.3529	7.1400
170 Russ	9¼	11/27/01	104.3481	8.8600
175 Canada	6½	05/30/00	101.3701	6.4100
176 Finland	5⅞	02/27/06	97.1367	6.0500
181 Mexico C FRN	6.8203	12/31/19	96.0587	7.1000
183 Argentina FRN	5.6562	04/01/01	113.5572	4.9800
186 Bulgaria	2¼	07/28/12	69.4425	3.2400
187 Argentina	8⅜	12/20/03	100.3902	8.3400
189 Kellogg	6⅛	08/06/01	100.2409	6.1100
191 Afc FRN	5.9195	10/02/02	99.7700	5.9300
195 Poland FRN	6⅞	10/27/24	98.2500	7.0600
197 Venezuela par B	6¾	03/31/20	86.9475	7.7600
198 Brazil	8⅞	11/05/01	104.3750	8.5000
203 Santander Fin	6.6000	12/31/99	99.9500	6.6000
213 Ontario	6⅛	06/28/00	100.2500	6.1100
216 Imperial	5.7813	09/05/98	99.9400	5.7800
219 Toyota Motor	6¼	07/22/02	99.8370	6.2600
220 Commerzbk	5.5938	01/29/01	99.6000	5.6200
221 Veba	zero	04/06/98	96.6716	7.1100
226 Britain FRN	5½	10/04/01	99.9800	5.5000
228 Philippines Fix	8¾	10/07/16	99.8750	8.7600
229 Brazil S.L FRN	6⅞	04/15/12	89.7285	7.7300
230 Ontario	6	02/21/06	97.7600	6.1400
231 Barclays Bank	5.6300	01/06/98	99.4080	5.6600
240 Suedwestdeut	4½	09/29/99	97.5525	4.6100
241 Imper	5.7813	12/05/98	99.9100	5.7900
243 Panama Interest		07/17/14	77.8750	4.8200
246 Panama	8⅝	09/30/27	100.1500	8.6100
247 Tokyo Elec Pwr	7⅛	06/13/07	103.3750	6.8900
249 First Nat Bk	7	05/08/00	101.7500	6.8800

Waiting for Greenspan: Traders Fret

New Doubt About How the Fed Chairman Will Move Shakes the Market

By Susan Kelly
Bridge News

NEW YORK — U.S. Treasury bond prices took a beating last week after the chairman of the Federal Reserve Board, Alan Greenspan, reminded the market that inflationary pressures were still a possibility. And now that the Fed chairman has put a possible interest-rate increase hike back on the table, any unfriendly data this week will lead to further losses.

But U.S. fund managers say the economic fundamentals have not changed and view the sell-off as a buying opportunity. The market's vulnerability to bad news was evident Friday, when prices fell further on word of a 0.5 percent rise in September producer prices and a 0.4 percent rise in the core producer-price index.

Analysts said most of the 0.4 percent rise in the core rate was due to one-time increases in the prices of cars, trucks and tobacco. Most doubted the Fed would tighten policy as a result of the data.

But traders said the market was still in such bad shape psychologically after Mr. Greenspan's comments Wednesday that the producer-price report had an impact in spite of the mitigating factors.

The yield on the 30-year Treasury bond, which moves in the opposite direction from its price, ended the week at 6.43 percent, up from 6.29 percent a week earlier.

"This is the first big surprise we've had on inflation," a bond trader said. "On the heels of what Greenspan said, it's a one-two punch."

The producer-price data increased fears of an unpleasant surprise in the September consumer-price index, due Thursday, which is already expected to show gains of 0.3 percent on both the overall index and the core rate. Such readings would be the biggest increases in consumer prices since February.

Nervous traders pointed out that the September producer and consumer price reports were the last monthly indexes the Fed would see before its next policy-making meeting Nov. 12.

"With the September PPI up 0.5 percent, all Mr. Greenspan needs is one more inflation number that's bad and he's going to tighten," one bond trader said.

Many participants say, though, that Mr. Greenspan was just trying to cool the bond market's enthusiasm with his testimony, not signaling that he intended to raise rates in the near future.

Perry Beaumont, senior market strategist at Smith Barney, said the Fed chairman wanted to remind the bond market that the Fed was "still in a

U.S. CREDIT MARKETS

tightening cycle and that things can change and can change quickly."

Mr. Greenspan's remarks heightened tensions in the market, meaning that traders will be poring over each economic report for bad news, Mr. Beaumont said.

But he predicted that the most important events this week would be Mr. Greenspan's two speeches Tuesday, both on global issues. He will address a Cato Institute gathering in the morning and speak at the University of Connecticut in the afternoon.

"That's got to carry more weight than a lot of the economic numbers," Mr. Beaumont said. "It gives him one more opportunity to clarify, to emphasize or to soften what he said last week."

Participants said that given Mr. Greenspan's comments about inflation, the consumer-price index report probably would carry more weight than the September retail-sales data coming out Wednesday. Traders are hoping for a friendly sales report, given the weakness already shown in car sales, chain-store sales and the weekly Redbook reports last month. The consensus calls for a 0.1 percent rise in September retail sales and a 0.3 percent increase in sales excluding autos.

A bond trader argued that the market is due for one more decline in prices, given the negative tone that has taken hold since Mr. Greenspan's comments.

But he said buying by hedge funds and foreign central banks at the market's low points late last week suggested there was support for the market.

Harvey Hirschhorn, chief economist and investment strategist at Stein Roe & Farnham, said the bond market had run ahead of itself recently and that Mr. Greenspan had intended his remarks to "throw a lot of cold water" in participants' faces.

He expects the 30-year bond's yield to move in a range of 6.30 percent to 6.75 percent and said that while he remained sanguine about the bond market, prices may retreat more in the near term.

"Economic growth pressures will cause the bond market to hesitate, fearing there might be some inflationary pressures developing later," Mr. Hirschhorn said.

But he said he did not think inflation would pick up and that he expected U.S. economic growth to begin to slow early next year.

David Thompson, director of funds management at BankBoston Private Bank, also said he remained upbeat on bonds and said the 30-year yield could fall to 6.25 percent by year-end.

"I don't think the fundamentals have changed dramatically," Mr. Thompson said. "I look at this as an opportunity to go back in and buy specific bonds."

Mr. Thompson said demand for U.S. fixed-income securities could grow as fund managers adjusted their asset allocations. The stock market's strong performance, he said, has left many with a heavier weighting in stocks than they had planned on.

"People are going to start looking at valuations in the context of bringing those models back into balance," Mr. Thompson said. "To that degree, I think you'll see a fair amount of money going back into the bond market."

New International Bond Issues

Compiled by Paul Floren

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Bank Hapoalim Int'l.	$200	2002	⅛	99.80	—	Over 3-month Libor. Noncallable. Fees 0.15%. (Merrill Lynch.)
Christiania Bank	$150	2002	0.05	99.978	—	Over 3-month Libor. Noncallable. Fees 0.15%. (Salomon Brothers.)
Christiania Bank	DM400	2004	0.10	99.992	—	Over 3-month Libor. Noncallable. Fees 0.20%. (Salomon Brothers.)
Fixed-Coupons						
Banco BCN Barclays	$100	2005	8	99.948	—	Callable at par in 2001, thereafter interest will be 8 ½%. Fees 0.50%. (Barclays de Zoete Wedd.)
Banco Bradesco	$200	2000	7¾	100	—	Noncallable. Fees 0.40%. (Societe Generale.)
Desc	$150	2007	8¾	99.248	—	Callable at 104.375 in 2002. Fees 0.875%. (J.P. Morgan.)
Fransabank	$140	2002	8	100	—	Noncallable. Fees 1%. Denominations $50,000. (Merrill Lynch.)
Pera Financial Services	$350	2002	9¾	100	—	Noncallable. Fees 1%. (Merrill Lynch.)
Westpac Banking	$500	2002	6¾	99.693	99.36	Noncallable. Fees 1 ⅜%. (Nomura Int'l.)
World Bank	$100	2007	7.025	101⅝	—	Callable at par from 1998. Fees 2%. (Barclays de Zoete Wedd.)
Argentina	DM1,000	2009	8	102.25	—	Reoffered at 100. Noncallable. Fees not disclosed. (ABN AMRO Hoare Govett.)
Asian Development Bank	DM1,500	2007	5½	99.394	98.25	Noncallable. Fees 0.325%. (Dresdner Kleinwort.)
Deutsche Ausgleichsba	DM500	2005	5¼	101.215	—	Reoffered 99.14. Noncallable. Fees 2 ¼%. (Dresdner Kleinwort Benson.)
Metro Finance	DM250	2007	5¾	99.26	98.55	Noncallable. Fees 3%. (ABN AMRO Hoare Govett.)
Turkey	DM1,000	2007	9⅛	99.25	99.36	Noncallable. Fees 3%. (Deutsche Morgan Grenfell.)
Stagecoach	£125	2007	7⅝	99.295	—	Noncallable. Fees 0.45%. (SBC Warburg.)
General Motors Acceptance Corp.	FF2,000	2003	5¼	101.404	98.45	Reoffered at 99.879. Noncallable. Fees 1 ⅜%. (BNP.)
L-Bank	FF2,000	2003	5	101.38	98.35	Reoffered at 99.78. Noncallable. Fees 1 ⅜%. (BNP.)
Merrill Lynch	FF3,000	2003	5¼	100.04	98.60	Noncallable. Fees 0.125%. (Merrill Lynch.)
Achmea Hypotheekbank	DF200	2007	5¾	101.375	98.65	Reoffered at 99.80. Noncallable. Fees 2%. (ABN AMRO Hoare Govett.)
European Investment Bank	SAR500	2002	13½	101	99.10	Noncallable. Fees 2%. (Hambros Bank.)
Equity-Linked						
Metsa Serla	$300	2002	4¾	100	—	Redeemable at 100 in 2002. Convertible at 57.9735 markka per share, at an exchange rate of 5.2738 markka per dollar. Fees 2½%. (Salomon Brothers.)

The Week Ahead: World Economic Calendar, Oct. 13-17

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**China:** 15th World Petroleum Conference; until Thursday. **Hong Kong:** World Economic Forum's 1997 East Asia Economic Summit. Includes a full-day session on China. Monday to Wednesday.	**Amsterdam:** FIEJ, the World Association of Newspapers, holds a conference on electronic publishing; Thursday and Friday. **Madrid:** Bank of Spain may release September money supply. **Vienna:** Euro Forex conference, Friday and Saturday.	**St. Louis:** Federal Reserve Bank of St. Louis's president, Thomas Melzer, delivers introductory remarks at a conference on "Lessons from Financial History" Thursday and Friday. **Earnings expected:** Coca-Cola Co., Coca-Cola Enterprises Inc., Travelers Group Inc.
Monday Oct. 13	**Tokyo:** Economic Planning Agency releases data on August machinery orders; Finance Ministry releases August current-account balance; August data for overseas investments; Japan Automobile Dealers Association's September used-car sales.	**Budapest:** August industrial output. **Frankfurt:** Lufthansa AG holds news conference as stock starts trading. **London:** September producer price index. **Oslo:** 1998 budget proposal.	**United States:** Columbus Day — most markets are closed. **Washington:** U.S. Agriculture Department releases weekly report on planting progress for seven crops. **Earnings expected:** Hughes Electronics Corp., J.P. Morgan & Co.
Tuesday Oct. 14	**Tokyo:** Japan Development Bank announces economic outlook; Japan's five brewers, Kirin Brewery Co., Asahi Breweries Ltd., Sapporo Breweries Ltd., Suntory Ltd. and Orion, release shipment figures for September.	**Madrid:** September consumer prices. **Rome:** August producer and wholesale prices **Muenster, Germany:** German and French government and central bank officials hold meetings.	**New York:** LJR Redbook Research releases weekly survey of sales at more than 20 U.S. department, discount and chain stores. **Earnings expected:** Ameritech Corp., Archer Daniels Midland Co., General Motors Corp.
Wednesday Oct. 15	**Bangkok:** Bank of Thailand reports official foreign reserves. **Tokyo:** Japan Department Store Association releases sales figures for Tokyo-area stores for September. **Wellington:** Consumer prices in the July-September quarter.	**Helsinki:** August industrial production and September consumer price index. **Rome:** August industrial production numbers **Earnings expected:** Elkem ASA, Kesko Oy, Oce NV, Raisio Group Oy.	**Atlanta:** Federal Reserve Bank of Atlanta releases national production index for September. **Washington:** Commerce Department reports September retail sales. **Earnings expected:** AMR Corp., BankAmerica Corp.
Thursday Oct. 16	**Manila:** ABN-AMRO Bank hosts conference on the new European currency. **Tokyo:** Bank of Japan releases preliminary figures on principal balances of Japanese financial institutions.	**Bern:** September producer and import prices. **London:** September public-sector borrowing requirement figures. **Madrid:** August retail sales. **Stockholm:** September consumer price index.	**Washington:** Labor Department reports September consumer price index; September business inventories and sales; initial weekly state unemployment-compensation insurance claims. **Earnings expected:** Gillette Co.
Friday Oct. 17	**Kuala Lumpur:** Finance Minister Anwar Ibrahim announces the 1998 budget in Parliament. **Tokyo:** Revised industrial production figures for August. **Wellington:** WestpacTrust's consumer-confidence survey.	**Helsinki:** September producer price index. **Voorburg, Netherlands:** Third-quarter unemployment. **Earnings expected:** Dyno Industrier ASA.	**Washington:** Federal Reserve System reports industrial-production and factory-use data for September; weekly report on commercial and industrial loans at U.S. commercial banks. **Earnings expected:** Falconbridge.

Last Week's Markets

Stock Indexes

	Oct. 10	Oct. 3	% Ch'ge
United States			
DJ Indus.	8,045.21	8,038.58	+0.08
DJ Util.	240.23	242.92	−1.11
DJ Trans.	3,264.20	3,210.14	+1.68
S & P 100	930.49	928.18	+0.27
S & P 500	966.98	965.03	+0.20
S & P Ind	1,130.86	1,125.54	+0.47
NYSE Cp	506.85	505.79	+0.21
Nasdaq Cp	1,739.03	1,715.83	+1.35
Japan			
Nikkei 225	17,376.92	17,647.45	−1.53
Britain			
FTSE 100	5,227.30	5,330.80	−1.94
Canada			
TSE Indus.	7,110.40	7,085.50	+0.35
France			
CAC 40	2,955.11	3,094.01	−4.49
Germany			
DAX	4,188.52	4,273.71	−1.99
Hong Kong			
Hang Seng	14,273.12	15,182.02	−5.65
World			
MSCIP	972.57	970.80	+0.18

World index from Morgan Stanley Capital Int'l Perspective.

Money Rates

	Oct. 10	Oct. 3
United States		
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds rate	5⅝	5⅝
Japan		
Discount	0.50	0.50
Call money	0.42	0.38
3-month interbank	0.47	0.48
Britain		
Bank base rate	7.00	7.00
Call money	7⅛	7¼
3-month interbank	7¼	7¼
France		
Intervention rate	3.30	3.10
Call money	3 7/16	3 3/16
3-month interbank	3⅝	3⅜
Germany		
Lombard	4.50	4.50
Call money	3.42	3.10
3-month interbank	3.65	3.42

Gold	Oct. 10	Oct. 3	% Ch'ge
London p.m. fix, $	328.90	331.70	−0.84

Euromarts

Eurobond Yields

	Oct. 10	Oct. 9	Yr high	Yr low
U.S. $, long term	6.43	6.47	7.09	6.43
U.S. $, mdm term	6.16	6.17	6.84	6.09
U.S. $, short term	5.96	5.97	6.51	5.95
Pounds sterling	7.01	6.90	7.75	6.90
French francs	5.07	4.95	5.07	4.66
Italian lire	5.93	5.87	7.79	5.79
Danish kroner	5.61	5.53	5.93	5.26
Swedish kronor	5.30	5.22	5.61	4.82
ECUs, long term	5.88	5.88	6.42	5.76
ECUs, mdm term	5.34	5.32	5.53	4.76
Can. $	5.38	5.46	6.51	5.36
Aus. $	5.98	5.94	7.86	5.89
N.Z. $	7.33	7.21	8.39	6.96
Yen	1.42	1.38	2.15	1.37

Source: Luxembourg stock exchange.

Weekly Sales

Oct. 9

Primary Market

	Cedel Bk $	Cedel Bk Nos	Euroclear $	Euroclear Nos
Straights	16.0	—	249.9	116.9
Convert.	—	—	—	168.6
FRNs	370.1	681.8	181.0	1,824.3
ECP	13,194.0	7,037.8	12,714.6	9,611.1
Total	13,580.1	7,719.6	13,145.5	11,720.9

Secondary Market

	Cedel Bk $	Cedel Bk Nos	Euroclear $	Euroclear Nos
Straights	27,867.7	20,974.5	110,315.1	34,746.6
Convert.	1,057.7	855.5	2,658.5	2,312.0
FRNs	22,358.4	2,998.2	53,137.8	11,332.1
ECP	14,486.0	16,834.4	28,377.5	28,217.9
Total	65,769.8	41,662.6	194,488.9	76,608.6

Source: Euroclear, Cedel Bank.

Libor Rates

	1-month	3-month	6-month
U.S. $	5⅝	5¾	5 13/16
Deutsche mark	3⅜	3½	3¾
Pound sterling	7 5/16	7⅜	7½
French franc	3½	3⅝	3¾
ECU	4 5/16	4½	4⅝
Yen	½	½	9/16

Sources: Lloyds Bank, Reuters.

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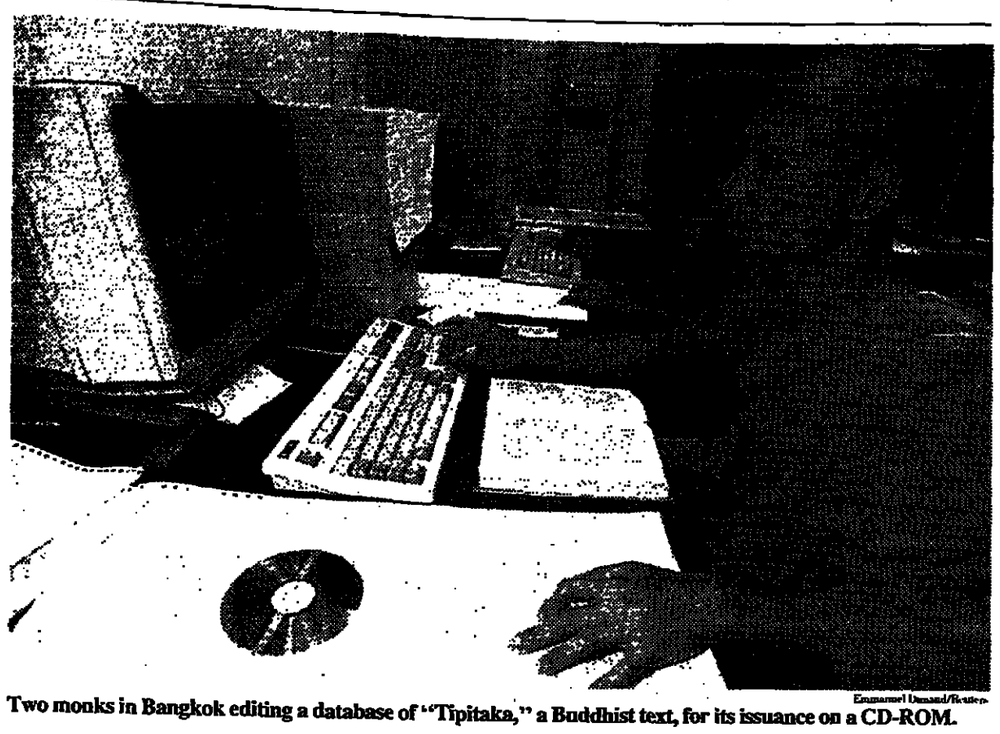
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Herald International Tribune

BUSINESS/FINANCE

MONDAY, OCTOBER 13, 1997

CYBERSCAPE



Two monks in Bangkok editing a database of "Tipitaka," a Buddhist text, for its issuance on a CD-ROM.

Emmanuel Dunand/Reuters

Asia's Currency Crisis – On-Line

Spread of Web Sites Allows Access to Markets and Governments

By Thomas Crampton
Special to the Herald Tribune

BANGKOK — For years, predatory reporters have pounced on hapless Bank of Thailand officials as they emerged from the elevator at 3 P.M. on the last Thursday of the month after the bank's regular meeting. With elbows flying, the frenzied pack fights for the first copy of the bank's latest data.

Now, with the fall of the baht and other currencies around the region, the crowds have grown larger and the jabbing fiercer. Last month, however, the first word of the status of Thailand's foreign reserves was not shouted into a mobile phone by a journalist staking out the bank but was lifted off the central bank's home page on the World Wide Web 10 minutes before reporters got the news.

Unremarkable in other parts of the world, the dissemination of information by Internet is still rare in Southeast Asia. The Internet is relatively new in most countries, and the region has been described as a black hole for financial information.

But there is a rapidly growing number of sites that present relevant and timely data about the region's economic crisis. For live quotes, Financial Interactive Services Hub (www.infront.com.sg/) carries a selection of regional currency movements against the dollar as well as a variety of stock market indices. Notably absent, however, are quotes from Indonesia and the Philippines.

Almost all of Southeast Asia's local papers and their Web sites can easily be found through the Asian Mall (www.asianmall.com/topnews/). The Asian Mall also picks up selections of stories and creates an on-line regional front page. On their own sites, many of the papers have systems that allow users to search through back issues.

While live news is a rare commodity on the web, the Stock Talk page of the Singapore Business Times (www.asia1.com.sg/btstocks/) offers regional market news as well as a well-attended forum where news updates are occasionally dropped into the discussion to dispel rumors.

Volleys of insults can be read on the home pages of adversaries George Soros (www.soros.org) and Prime Minister Mahathir bin Mohamad of Malaysia (www2.jaring.my/msia/govt/pm/pm.html). The two men have been engaged in a dispute over who is to blame for Malaysia's recent economic woes.

Web sites operated by government news agencies include those of Malaysia's Bernama News Agency (www.asiapac.net/bernama/ in news.html), and Indonesia's official Antara News Agency (www.antara.co.id/welcome-eng.html).

Most Southeast Asian central banks also have Web sites where they provide comprehensive data. The Bank of Thailand (www.bot.or.th/), Bank Negara Malaysia (www.bnm.gov.my/), Monetary Authority of Singapore (www.mas.gov.sg/), Bank Indonesia (www.bi.go.id/) and particularly the Philippine central bank's regional office Infolink site (www.gsilink.com) also present a tremendous amount of historic data.

For a regional outlook, the Asian Development Bank's statistics files can be downloaded in spreadsheet form (www.asiandevbank.org/).

Most Southeast Asian stock markets offer free but slightly delayed stock quotes as well as information on listed companies. The Kuala Lumpur Stock Exchange (www.klse.com.my/) includes a stock-performance calculator.

The Philippine Stock Exchange (www.pse.com.ph/), Singapore Stock Exchange (www.ses.com.sg/) and, for now, the Stock Exchange of Thailand (www.set.or.th/) all update prices frequently and provide recent company disclosures.

The Stock Exchange of Thailand, however, has announced that it will discontinue live quotes this month. The Jakarta Stock Exchange (www.jsx.co.id/), on the other hand, will begin to report live from the trading floor by next month.

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In Face of Hostility and Questions, Paris Defends Plan on Work Hours

By Barry James
International Herald Tribune

PARIS — Government officials defended the decision to shorten the legal working week to 35 hours, with no loss of pay, by the year 2000, saying the measure would have a minimal effect on productivity and company profits.

But representatives of employers bitterly attacked the decision, which Prime Minister Lionel Jospin announced Friday at the end of a one-day conference on employment.

Jean Gandois, the head of the employers' national council said he had been "duped" by Mr. Jospin and warned, "We have lost a battle but we have not lost the war."

Officials present at the meeting said they had been taken aback by Mr. Gandois' violent reaction, since he had seemed conciliatory during the discussions. His own position appeared equivocal, since he is director of a Belgian steel company that recently introduced a 34-hour week.

The officials said the mood suddenly turned sour in the last few minutes of the conference as other members of the employers council pushed notes across the table at Mr. Gandois. "Let's get out of here," wrote Denis Kessler, the council's economic chief.

But Mr. Gandois later backtracked on his allegation that he had been duped, and said the council would not withdraw from discussions with the government and unions. However, he stood by his verdict that a shorter workweek would be bad for jobs, bad for Europe and bad for social dialogue.

The measure would introduce the biggest reduction in working hours since 1936, when Prime Minister Leon Blum cut the workweek to 40 hours from 48. This was further reduced to 39 hours in 1982. The move would bring France in line with a number of its European partners that already work a shorter number of hours on an annual basis.

Counting vacations, the average French employee works 1,666 hours a year compared with 1,744 hours in the United States. In the Netherlands, which is often held up as a model of economic efficiency, employees work an average 1,409 hours a year.

Government officials over the weekend acknowledged that the plan could fail to have the desired effect on lowering unemployment if employers and workers failed to implement it.

They stressed that companies that wish to keep the present 39-hour week would be legally able to do so at the cost of increased overtime expenses. How much more the companies might have to pay will be one of the many topics open for discussion before the law goes into effect.

The government officials, who asked not to be identified, said the worst-case scenario would be that the 35-hour plan created no extra jobs. But if a significant number of companies accept govern-

The theory is that the combination of higher productivity, wage restraint and government grants will cover the cost of the plan. But no one has placed a figure on how many jobs it might create.

See LABOR, Page 15

Thai Bank Reformer Quits Over Politics

By Thomas Crampton
Special to the Herald Tribune

BANGKOK — A top finance official quit this weekend, saying his efforts to help Thailand's foundering economy were facing excessive political interference.

Amaret Sila-on, chairman of the government-appointed committee overseeing 58 suspended finance companies, resigned Saturday, just days before the government was to consider the measures he had prepared as part of an economic restructuring package required by the International Monetary Fund.

"The 58 suspended finance companies have become a political football," Mr. Amaret said.

Political interference in economic affairs has been an ongoing concern voiced by the International Monetary Fund, which has arranged a $17.2 billion bailout for Thailand's flagging economy.

Deputy Prime Minister Virabongsa Ramankura, who is in charge of preparing the package to be announced Tuesday, said it would include sweeping changes to the Thai economy and perhaps require further funding from international institutions.

"Financial-institution restructuring is just a part of the plan," Mr. Virabongsa said in an interview Sunday. "We will also have announcements about privatization, industrial restructuring and civil service reform."

The projects beyond the finance sector, which would include training workers and retooling machines, could require Thailand to ask for further assistance from the Asian Development Bank and World Bank, he said.

"We will not know how much it will cost until we launch the program," he said.

An outsider brought back from retirement to manage the IMF package, Mr. Virabongsa said he would combat political interference by making the entire plan available to the public.

Thailand will face a tough time meeting IMF budget constraints, he said. In addition to voting on the economic restructuring package, the cabinet is scheduled to debate budget cuts Tuesday.

Under the financial-restructuring package, Mr. Virabongsa said, assets of suspended finance companies that did not make approved mergers in time would be placed under the management of two new bodies, which will divide their assets according to their viability.

GPU of U.S. Acquires Australian Power Grid In $1.99 Billion Deal

Reuters

MELBOURNE — GPU Inc., a U.S. energy company, acquired Victoria state's electricity-transmission grid, PowerNet Victoria, for 2.71 billion Australian dollars ($1.99 billion), Jeff Kennett, the state's premier, said Sunday.

The sale marked the latest stage in the privatization of Victoria's power assets, which have been auctioned off over the past two years for a total of 22.5 billion dollars.

PowerNet owns and maintains Victoria's high-voltage power lines, which cover 227,600 square kilometers (91,040 square miles) and are connected to the power grids in the neighboring states of New South Wales and South Australia.

GPU agreed to pay 2.55 billion dollars plus 161 million dollars in licensing fees. Its bid beat an offer by Britain's National Grid Co. and Itochu Corp. of Japan, which had been considered the leading contender. Other bidders were Singapore Power, Macquarie Bank and Consolidated Natural Gas Co., a U.S. company.

David Brauer, GPU's international vice president, called PowerNet an "attractive and well-run asset."

"We will add value to the business by identifying and pursuing wider opportunities involving areas such as telecommunications and related consulting activities," he said.

Rates on the transmission network will be regulated by Victoria. After the southern and eastern Australian states join to form an open power market next year, each state's power-grid rates will be reviewed by the Australian Competition and Consumer Commission.

Along with power plants and transmission lines in North America, Latin America, Europe and Asia, GPU has a 50 percent stake in Solaris Power, a Victoria distribution company that it co-owns with Australian Gas Light Co., a natural-gas company.

To meet the state's cross-ownership rules, GPU will have to reduce its interest in Solaris to no more than 20 percent over the next six months.

Lufthansa Issue Is Priced to Yield $2.69 Billion

Reuters

FRANKFURT — Shares in Bonn's remaining stake in the airline Deutsche Lufthansa AG will be issued at 33.30 Deutsche marks ($19.03) each when Germany's biggest public offering in 1997 kicks off Monday, the coordinating banks said Sunday.

The lead coordinators Dresdner Kleinwort Benson and SBC Warburg Dillon Read said in a joint statement that the share issue — Germany's second-biggest ever — would yield around 4.7 billion DM ($2.69 billion).

The Lufthansa offer was more than two times oversubscribed, and the sponsoring banks said this showed strong interest in shares in the flag carrier. More than 50 percent of the issue was purchased by private investors.

"The share price is maybe around 30 to 50 pfennig lower than we expected, but basically the price is no big surprise, and the volume levels are good," one analyst said.

The share packet, which accounts for about 37.5 percent of the flag carrier, is made up of the German government's 35.7 percent stake and a 1.77 percent stake held by the German credit agency Kreditanstalt fuer Wiederaufbau.

Private investors who ordered a minimum of 100 shares before Oct. 2 were entitled to a discount of 1 DM per share.

Allocations to investors were based on the size of their bids as well as the timing of the bids. For example, an investor who ordered 300 shares before Oct. 2 will receive 250 shares, while an investor who ordered 300 shares after Oct. 2 will get 125.

The offer price is 50 pfennig below Lufthansa's closing price Friday of 33.80 DM a share.

A total of 143 million shares will be issued, comprising 130 million for investors and an oversubscription option of 13 million shares.

The banks have said that there is a good mix of buyers and that demand from private investors has been better than anticipated.

Banking sources said that the processing of orders was typical of a secondary public offering, with the emphasis on "genuine orders" rather than on orders placed by investors seeking to secure a certain number of shares by ordering more than they actually wanted.

The buying mix for Lufthansa shares had to be a predominantly German one because the European Commission had sought assurances from Bonn that Lufthansa would be mainly held by Germans to meet the requirements of international air legislation. The regulations require that flag carriers be able to show that national shareholders hold a majority stake.

The makeup of the banking consortium was aimed to ensure that Germans would retain the majority of Lufthansa, with Dresdner Kleinwort Benson and SBC Warburg Dillon Read chosen as global coordinators.

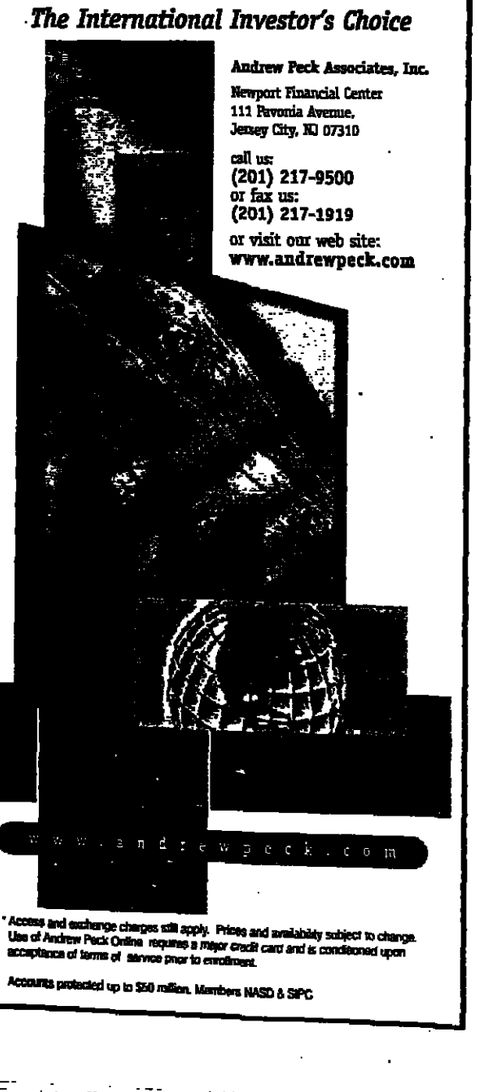
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CURRENCY RATES

Oct. 10

Cross Rates

	$	€	DM	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	£	Pesata
Amsterdam	1.9925	2.1955	1.1264	0.3355	0.1145	—	5.450	1.2848	1.6445	1.3315	1.335
Brussels	36.57	58.61	20.6695	6.161	2.1008	18.3525	—	34.305	0.2988	24.05	24.47
Frankfurt	1.7457	2.8296	—	0.2976	0.1014	0.4858	4.8453	1.1996	1.4546	1.1638	1.1855
London (a)	1.671	—	2.4365	0.5215	2.7937	3.1945	58.565	2.3631	194.579	2.2342	220.3708
Madrid	142.286	228.824	84.454	25.122	8.558	74.943	4.8999	101.204	122.565	107.886	—
Milan	1,715.15	2,787.00	986.20	292.23	—	875.20	47.752	1,182.00	14.295	1,348.85	11.688
New York (b)	—	1.4278**	1.7495	5.1825	1.721.00	1.9705	34.71	1.4555	119.85	1.208	147.135
Paris	5.8429	9.5063	3.3652	—	0.2907	2.9832	0.1638	4.8224	4.8998	4.5627	2.9825
Tokyo	121.39	196.96	69.35	20.64	6.708	61.57	3.2401	84.05	—	88.61	0.8221
Toronto	1.3703	2.2287	0.7878	0.2348	0.0805	0.6995	0.0317	0.9469	1.1507	—	0.935
Zurich	1.4641	2.3806	0.8385	0.2476	0.0864	0.7382	4.038	—	1.2122	1.0568	0.9852
1 ECU	1.1268	1.8327	1.9636	4.5946	1,935.24	2.2786	40.597	1.6254	135.168	1.5471	165.589
1 SDR	1.3673	0.8644	2.481	0.8147	2,348.32	2.6859	49.668	N.Q.	165.912	1.3026	389.428

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York and Toronto rates at 4 P.M.
*a: To buy one pound. b: To buy one dollar. *Units of 100; N.Q.: not quoted; N.A.: not available*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9986	Greek drac.	275.49	Mex. peso	7.757	S. Afr. rand	4.6703
Australian $	1.3692	Hong Kong $	7.7355	N. Zealand $	1.5516	S. Kor. won	914.60
Austrian sch.	12.279	Hung. forint	194.66	Norw. krone	6.9874	Swed. krona	7.5403
Brazil. real	1.0978	Indian rupee	36.225	Phil. peso	33.90	Taiwan $	28.48
Chinese yuan	8.3141	Indo. rupiah	3657.50	Polish zloty	3.60	Thai baht	35.75
Czech koruna	32.72	Irish £	0.6848	Port. escudo	177.09	Turkish lira	1751.50
Danish krone	6.6425	Israeli shek.	3.4853	Russ. ruble	5872.00	U.A.E. dirham	3.6710
Egypt. pound	3.40	Kuw. dinar	0.3076	Saudi riyal	3.75	Venez. bolfv.	497.40
Fin. markka	5.2755	Malay. ring.	3.0725	Sing. $	1.537		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6197	1.6175	1.6155	Japanese yen	119.72	119.19	188.65
Canadian dollar	1.3705	1.3683	1.3660	Swiss franc	1.4521	1.4502	1.4485
Deutsche mark	1.7485	1.7373	1.7259				

Sources: ING Bank (Amsterdam); Cen Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

U.S. Machine-Tool Orders Post a 10.2% Jump

Compiled by Our Staff From Dispatches

WASHINGTON — Orders for machine tools rose 10.2 percent in August from the month before, helped by purchases by the auto parts and aerospace industries, an industry survey said.

Orders from U.S. companies for domestic and foreign-produced machine tools rose to an estimated $703 million in August from a revised $638 million in July, according to a report from the Association for Manufacturing Technology and the American Machine Tool Distributors' Association that was issued for release Monday.

"The impact of spending by the automotive supply chain as well as the boom in aerospace investment has resulted in continued growth for machine tool orders," said Albert Moore, the association's president.

Orders in Western states soared, followed by gains in the Midwest and South, the report showed. The Northeast and Central regions posted declines.

August's total also brought orders up 17 percent to $5.6 billion in the first seven months of this year from a year earlier. Estimated orders climbed 38.4 percent this August from $508 million in August 1996. The machine-tools report — which analysts watch to gauge industrial output, consumer demand, and business investment — was in line with recent government data.

The industry groups originally reported that projected orders for machine tools — which are used to shape and assemble metal in products ranging from diesel engines to dishwashers — fell 13.4 percent in July to $666 million. Orders totaled an estimated $769 million in June.

The two associations each month estimate U.S. machine-tool consumption based on the actual number of orders placed by selected American manufacturers with U.S. and foreign companies.

Exports of machine tools by U.S. makers, which are counted separately from domestic orders, advanced 33.4 percent to $45.8 million in August from $34.4 million the previous month.

The Commerce Department reported that overall orders to U.S. factories rose 1.3 percent in August for the third monthly increase in a row, helped by the strongest rise in demand for electronic parts in almost four decades. During July, manufacturers' orders increased 0.5 percent. The government also reported a larger-than-expected 2.7 percent increase in August orders for durable goods, big-ticket items designed to last three years or more.

When orders outside the transportation industry are excluded, August's total rose 2.0 percent.

(AP, Bloomberg)

■ Higher Forecast for Germany

The Welt am Sonntag newspaper said Germany's six leading economic research institutes had raised their forecasts for 1997 economic growth to a range of 2.75 to 3 percent from 2.25 percent, Reuters reported from Hamburg.

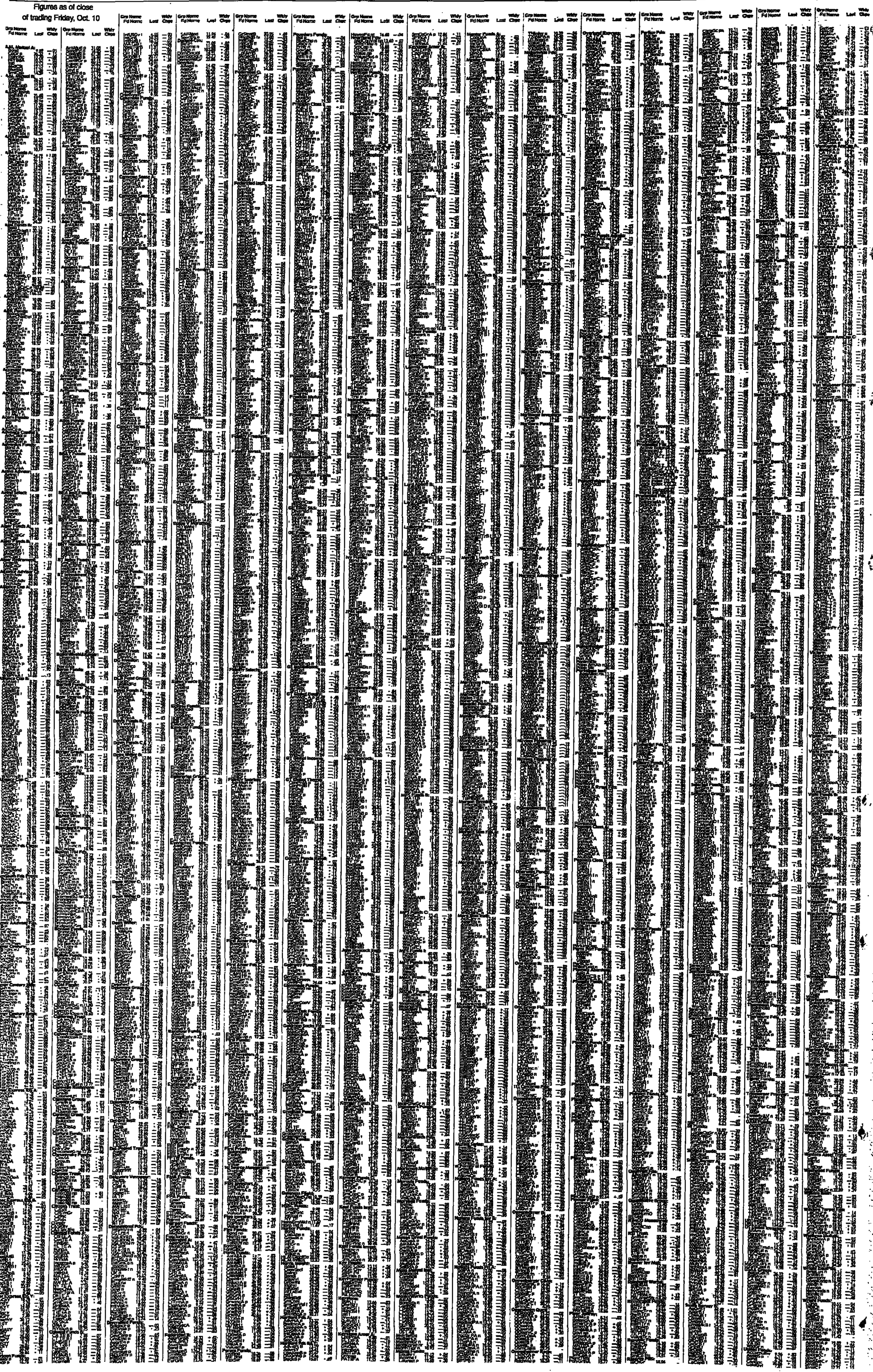
Booming exports and gradually accelerating investment are the main factors behind the higher forecast, which compares with an official government forecast of 2.5 percent growth in gross domestic product, the newspaper said.

Even consumer demand, which has been sluggish for years, has begun to show signs of life, it said.

The institutes' semiannual report on the economy is to be released Wednesday. Officials at the institutes were not available for comment over the weekend.

U.S. MUTUAL FUNDS

Figures as of close of trading Friday, Oct. 10



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A Rule on Mutual Funds: All That Glitters Isn't Gold

By Carole Gould
New York Times Service

NEW YORK — Lucky you if you caught the recent gold run-up.

As the price of gold began to rise in mid-September, gold funds jumped to the top place among all funds for two consecutive weeks — then fell back at the end of last week as the metal bounced around before ending the week down.

Gold-oriented funds rose 3.8 percent for the week ended Sept. 25, followed by a gain of 6.5 percent for the week

INVESTING

ended Oct. 2, according to Lipper Analytical Services Inc.

Last week, they fell from that spot, with a decline of 0.7 percent.

That movement is typical of gold's volatility and should underscore that gold funds are not a good investment for most people, said Amy Granzin, an analyst with Morningstar Inc., the fund researchers.

Gold has lagged the Standard & Poor's 500-stock index by at least 10 percentage points over the past 3, 5, 10 and 15 years, Ms. Granzin said.

Its recent spike notwithstanding, gold funds are down 18 percent this year, while the average diversified equity fund is up at 29 percent, through Thursday.

One of the best performers in the recent run-up has been Lexington Strategic Investments, which owns South African gold mines, one of the riskiest sectors of the metals market.

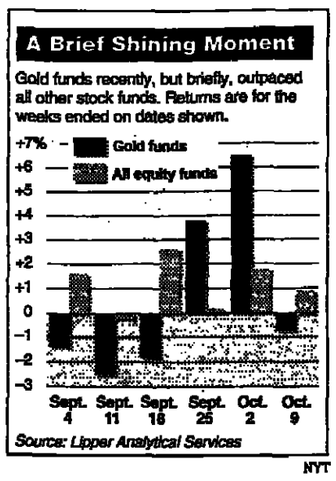
Its managing director, Larry Kantor, credited tight supply and growing demand, especially for seasonal jewelry, for the gains in gold.

Other analysts pointed to tension in the Middle East, rising oil prices and concerns over inflation, especially as expressed on Wednesday by Alan Greenspan, the Federal Reserve chairman, for supporting the sector.

But on Thursday, gold prices began sliding back. On Thursday, New York gold prices for December delivery fell $6.00 an ounce, to $329.20. By Friday, December gold edged up $2.00 to close at 331.20. Mr. Kantor noted that the Fed's expression of concern about inflation was actually bad for gold, which is traditionally used as a hedge against rising prices.

"When a Federal Reserve or other central bank takes steps to curb inflation," he said, "that's not necessarily positive for gold because it's an indication that inflation will be controlled."

Ms. Granzin suggested that investors in gold funds use them only to complement a widely diversified portfolio and limit them to no more than 10 percent of assets.



NYT

Calculating a Convertible's Real Appeal

By Anne Tergesen
New York Times Service

A stock-picker's work is done after comparing a stock's price to its company's prospects. But buyers of convertibles securities — those that can be converted into stocks — must do some extra number-crunching.

The calculations help show whether a company's stock or the convertible issue is the better buy. In addition, they can tell you whether the convertible's premium can be recouped before the company is able to "call" the security — a forced exchange into cash or the stock.

Consider Aetna Inc.'s convertible security. Each convertible share is redeemable for 0.8197 of a share of the insurer's common stock. At the price of $78.5625 at which Aetna's common stock ended the week, each convertible has a conversion value of $64.40.

The difference between that amount and the convertible's price, $77, is the conversion premium — in this case $12.60, or 20 percent over the conversion value. That is how much extra an investor pays to secure the convertible's higher yield.

Next, compare the dividends. Aetna common stock pays 80 cents in dividends a year; the convertible pays $4.75. So an investor would recoup the premium at a rate of $3.95 a year; the break-even period, at a premium of $12.24, would be a bit over three years.

Aetna's 19 percent premium is at the high end of low, said Jon Hale, an equity fund analyst at Morningstar Inc. But because Aetna's convertible can be called in about two years, the three-year break-even period means that investors are at risk that a call will occur before they have recovered the premium.

However, one reason for the convertible's long break-even period is that, given recent cuts in analysts' forecasts of Aetna's earnings, the stock has fallen proportionately further in price than has the convertible. That is precisely the claimed value of a convertible: a haven in troubled times.

Don't want to crunch the numbers by yourself? Then ask your broker to do so, or consult the Value Line Convertibles Survey, available in some libraries.

LABOR: *Paris Faces Questions Over Plan to Reduce Workweek*

Continued from Page 13

ment subsidies in return for reducing hours and increasing staff, the plan could pay for itself, the officials said.

The gain for the companies, they said, would be a chance to reorganize and improve productivity. For the government, it would be a means of reducing unemployment payments and increasing tax revenue.

"We think it will be a win-win situation," an official said.

Mr. Jospin said he would introduce a bill in Parliament at the end of this year containing measures to entice companies to reduce hours and increase staff. This would include a 9,000-franc ($1,535) annual subsidy for each worker hired in companies that reduced hours by 10 percent and increased staff by 6 percent. The subsidy would rise to 14,000 francs for each new worker hired at companies that reduced the workweek to 32 hours.

The government hopes that enough companies will accept the offer to be able to conduct a realistic test of economists' theories that a reduction in hours can be accomplished at relatively small cost through improvements in productivity.

The corollary would be a commitment to wage restraint and greater flexibility by workers, the officials said. Flexibility could including working a four-day week, working during vacations and weekends or having hours calculated on an annual basis. The theory is that the combination of higher productivity, wage restraint and government grants will cover the cost of the plan. But no one has placed a figure on how many jobs it might create.

The experience will be reviewed toward the end of 1999 and the government will then introduce a second law for a 35-hour week beginning in Jan. 1, 2000, for companies with more than 10 employees. The measure will be extended to companies with fewer than 10 workers before the end of the government's five-year term in 2002.

Mr. Jospin said the aim of the measure was not only to create more jobs but also to improve the quality of life for millions of workers, particularly women who have to balance the demands of family and work.

The officials conceded that there would be resistance to the proposed measure from employers but also from workers, who may balk at giving up pay demands in return for shorter hours.

The officials pointed out that the legal workweek and the effective workweek were not the same.

Many employees work longer than the official 39-hour week. By law, they should receive 125 percent of full pay for the first 130 hours of overtime on an annual basis. This rises to 50 percent after 130 hours.

There would be nothing to prevent employers retaining their present timetables after the law goes into effect, but their wage costs would rise heavily if the government adopts an idea to tax overtime hours at a higher rate. Economists believe that overtime currently worked in France is the equivalent of 700,000 full-time jobs.

The officials said they doubted the plan would affect France's standing in financial markets, since it had been discussed for four months without any effect on the franc.

As for inward investment, which is higher in France than any European Union member except Britain, foreign companies are mostly interested in good productivity and acquiring a highly skilled labor force, the officials added.

SHELL: *Pipeline Across Iran for Turkmen Gas Under Discussion*

Continued from Page 1

the project had been designed to involve only Turkmenistan gas in transit to Turkey, rather than Iranian production.

Last week, the Turkmen foreign minister, Boris Shikhmuradov, received what he described in an interview as a "greenish" light for the pipeline project during meetings in Washington with the deputy secretary of state, Strobe Talbott, and the undersecretary of state for business and economic affairs, Stuart Eizenstat.

"We would like this greenish signal to become really green," Mr. Shikhmuradov added.

In response to the announcement last month by Total, President Bill Clinton's administration is holding talks with European governments to explore ways of avoiding a bruising confrontation over U.S. sanctions called for by the 1996 Iran-Libya Sanctions Act.

But there are mounting signs that the U.S. policy — which is aimed at denying Tehran money that could be used to support international terrorism and develop weapons of mass destruction — is unraveling.

A growing web of deals is drawing Iran in as a central actor in the rush by oil companies and governments to accelerate the development of the region's energy resources, in response to huge new demand in the East and South Asia, Turkey and other developing areas.

In the next few weeks, Turkmenistan plans to open a separate pipeline that initially will carry 2 billion cubic meters of natural gas a year to power plants and refineries in northern Iran.

Shipments eventually could reach six times that volume, according to Turkmen officials. In addition to these projects, Iran is scheduled next year to begin a controversial U.S.-opposed project under which it initially would provide 3 billion cubic meters of gas annually to Turkish power plants, according to Iranian and Turkish diplomatic sources.

Both countries are extending their gas pipelines to handle these deliveries, the sources said.

However, U.S. officials continue to insist that Iran, despite its huge gas reserves, has not developed them adequately to meet its commitment to Turkey.

And despite the evidence of plans to develop energy links between Iran and Turkey, Washington maintains that Turkey has assured U.S. officials it will not buy Iranian gas.

In another example of the expanding web of economic relationships involving Iran, Kazakstan is shipping 30,000 to 40,000 barrels of crude oil a day from its Caspian Sea port of Aqtau via coastal barges and tankers to small ports in northern Iran.

Under a complicated "swap" arrangement reportedly worked out by Swiss commodity traders, Iran uses the Kazakstan oil in its northern refineries.

It then exports an equivalent amount of its own oil from Gulf terminals in the south, crediting the accounts of the Kazak shippers.

In August, Mr. Clinton issued an executive order clarifying rules governing U.S. sanctions.

Claiming to tighten the economic noose around Iran, the order specifically exempted oil swaps between Iran and its Caspian Sea neighbors from the sanctions.

In an interview this month in New York, Hossein Kazempour Ardebili, energy adviser to the Iranian foreign minister, Kamal Kharrazi, estimated that Iran could take as much as 700,000 barrels a day of Caspian oil through such swap arrangements.

Asian companies, which have been increasing their investments in Caspian oil and gas projects, also want to use Iran as a transit route to Gulf terminals.

Late last month, the Chinese prime minister, Li Peng, and Kazakstan's president, Nursultan Nazarbayev, signed a $9.5 billion agreement to develop a major Kazak oil field and build oil pipelines both to western China and south through Iran to the Gulf.

Kazak officials said they regarded the pipeline across Iran as a priority.

In an interview, Mr. Shikhmuradov said his country had stopped shipping gas northward because Russia and several other former Soviet republics owed $3 billion for past deliveries.

"No more complimentary gas," he said.

He stressed, therefore, that the alternative export route through Iran "is a matter of survival for us."

Turkmen and Iranian diplomats described the Shell pipeline proposal as particularly attractive because it reportedly would not involve financing through international banks or lending institutions, forums in which the U.S. government might be able to exercise a veto.

It is unclear how much Iran would profit directly.

■ French Deal Proceeds

A senior Iranian official said Saturday that a $2 billion gas deal with France's oil giant Total SA had entered the implementation phase, Reuters reported from Tehran.

"The South Pars gas deal with Total has been in effect as of Oct. 7, and the implementation of Phases 2 and 3 has begun," Iranian television quoted Hadi Nejad Hossenian, a deputy oil minister, as saying.

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Zurich Insurance Looks to BAT

Companies Hold Talks to Create a Financial-Services Giant

Bloomberg News

LONDON — Zurich Insurance Co., Switzerland's biggest insurer, said Sunday it was in talks with BAT Industries PLC, a British tobacco and financial services group, to create a new company valued at £22 billion ($35.7 billion).

Discussions are at an "advanced stage," though no agreement has been concluded, Zurich said after British newspapers reported that the two were in talks.

"Zurich and the board of BAT Industries confirm that they are in discussions which may or may not lead to a merger of BAT Industries' interests in financial services with the Zurich Group," the statement said.

Zurich said its shareholders, through a Swiss holding company, would own 55 percent of the new company and BAT shareholders, through a British holding company, would own 45 percent.

The transaction would come as a growing number of financial services companies unite in a bid to increase assets under management and to raise the stable earnings money management tends to generate. Insurers in Europe, meanwhile, are uniting as competition heightens and margins shrink.

The Sunday Times reported that U.S. investment bank Goldman, Sachs & Co. was acting as adviser. But a spokesman for Goldman declined to comment.

The Sunday Telegraph said BAT was expected to spin off its financial services division, which includes insurers Eagle Star and Allied Dunbar in Britain and Farmers Insurance Group in the United States, and merge them with Zurich on an equal basis.

BAT has said in the past it wanted break off its financial services division if it could find a large insurance partner. It tried last year to merge it with Commercial Union PLC, but talks broke down when the companies could not agree on a management structure.

On June 27, Zurich said it bought Scudder, Stevens & Clark Inc. for $1.667 billion in cash and stock, creating one of the 10 largest U.S. fund managers, and already owned another fund manager, Kemper Corp.

At the end of June, Zurich had 218 billion Swiss francs ($150 billion) in total assets under management, a number that will swell to more than $300 billion once its planned $1.7 billion acquisition of New York-based Scudder is completed. More than $200 billion will be managed for third parties, Zurich has said.

These U.S. businesses could use Farmers as a distribution network for their products, The Sunday Telegraph said.

The merger could take about a year to complete because of regulatory complexities, including the problems associated with having the shares trade on two exchanges, the reports said.

In 1996, Zurich's premium volume amounted to 31.8 billion Swiss francs, with about one-third of premiums generated in the United States. In Britain, Zurich's gross premiums totaled 1.66 billion francs, making it Zurich's fourth-biggest market behind the United States, Switzerland and Germany.

The Scudder purchase was one in a series Chief Executive Rolf Hueppi has carried out since he assumed his post in 1991. Mr. Hueppi, 54, is credited with masterminding the Zurich-based general insurer's move into fund management.

Last year, Zurich bought Chicago-based Kemper Corp. for about $2 billion. On the insurance side, it also took over the policies of Home Holdings Inc. in 1995, and this year offered more than $300 million for the 34 percent in of Zurich Reinsurance Center Holdings Inc. it does not already own.

This year, Zurich completed a 105 million Swiss-franc purchase of Protector Forsikring ASA of Norway, to expand its share in the Nordic markets.

In other insurance mergers, Axa SA and Union des Assurances de Paris of France completed a $8.67 billion stock swap in May to form Axa-UAP., creating the world's second-biggest insurance company behind Nippon Life Insurance of Japan.

SHORT COVER

Finnish-Swedish Link Seen In Bank Sector

STOCKHOLM (Reuters) — The boards of Merita Bank Ltd. of Finland and Nordbanken AB of Sweden met Sunday to finalize details of a planned link that would create the Nordic region's largest bank, worth more than $10 billion, according to Finnish reports.

But executives at Finland's biggest bank and Sweden's state-controlled bank and government officials refused to comment on the report in the Helsingen Sanomat.

The newspaper, without naming its sources, said the alliance could be announced as soon as Monday.

HSBC Holdings Shuffles Management

LONDON (Bloomberg) — HSBC Holdings PLC, Britain's largest bank, said Sunday that its chairman, Sir William Purves, would retire May 31 and be succeeded by the chief executive, John Bond, as part of a wide-ranging management shake-up.

Keith Whitson, chief executive of British subsidiary Midland Bank, will become the new HSBC chief executive; William Dalton, chief executive of Hongkong Bank of Canada, will move to London to head Midland.

In the United States, Jim Cleave will retire as chief executive of HSBC Americas, which includes Marine Midland Banks Ltd., and will be succeeded by Marine Midland's chief operating officer, Malcolm Burnett.

MCI Pursues Details Of WorldCom's Bid

NEW YORK (Reuters) — MCI Communications Corp. is keeping its options open by asking for more details about WorldCom Inc.'s proposed $35 billion takeover, while moving ahead on its deal to be acquired by British Telecommunications PLC.

MCI's directors met Friday to discuss the WorldCom bid in Washington.

BT conceded that MCI had a duty to its shareholders to consider a takeover offer that outstrips BT's own of about $20 billion. MCI has so far neither recommended nor rejected WorldCom's advance. MCI's board is planning to meet again next week to further consider WorldCom's bid.

Foreigners Invested $1.22 Billion in Israel

JERUSALEM (Reuters) — Foreign investors put $1.22 billion into the Israeli economy in the third quarter, marking a sharp rise from the first half, the Bank of Israel said Sunday.

At the same time the Israeli private sector exported $389 million in capital, marking a turnaround from a huge flow of capital imports in the previous two-and-a-half years. In the first half alone, capital imports by Israelis reached $5.34 billion.

For the Record

Maple Leaf Foods Inc.'s Toronto-area hog slaughterers have voted to strike Canada's largest food processor in Nov. 15 because of cost-cutting efforts to become competitive with U.S. producers. *(Bloomberg)*

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129 Top French Companies

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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, Oct. 10

Continued on Page 17

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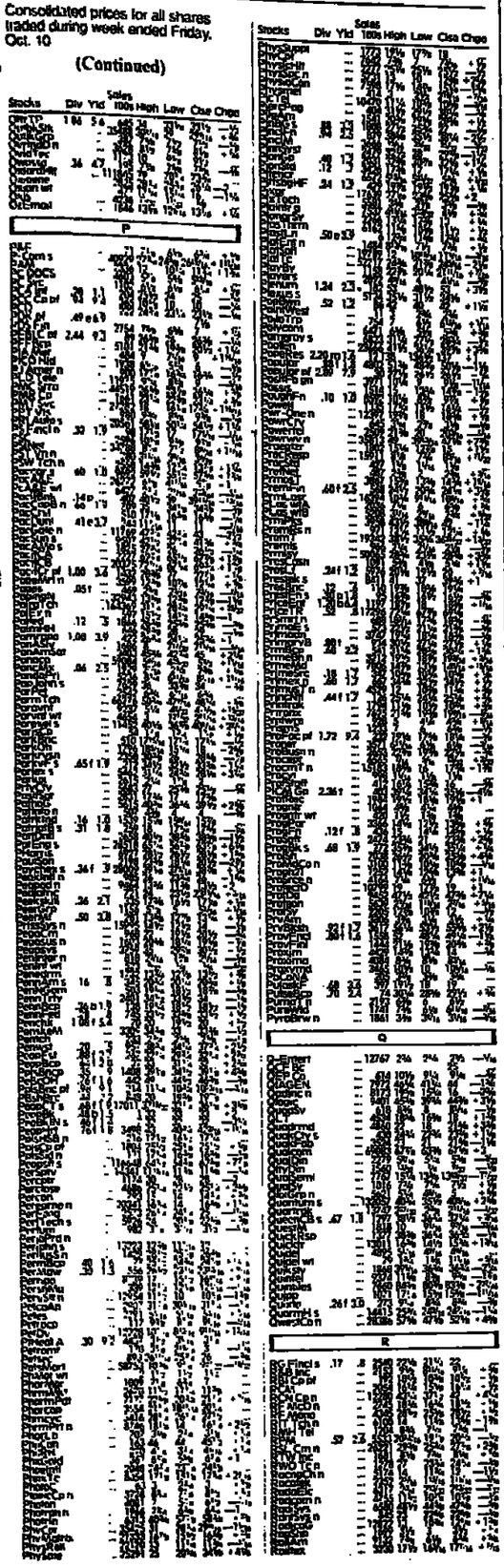
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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, Oct. 10

(Continued)



DENNIS THE MENACE



"WELL, IT COULD BE TRIGGER, BUT FOR SURE IT'S NOT ROY ROGERS!"

JUMBLE.

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

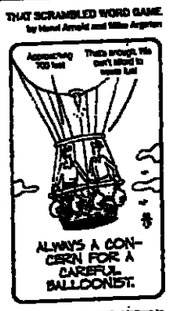
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

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Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

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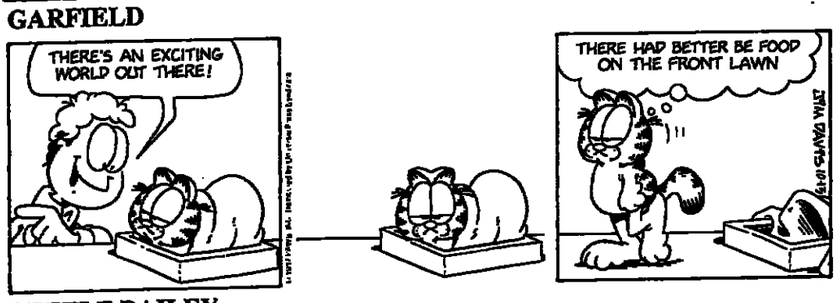
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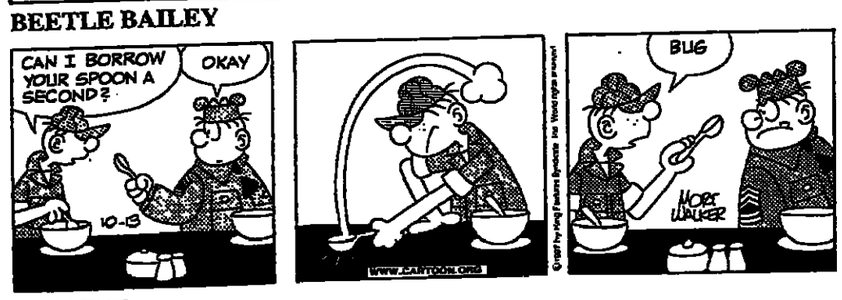
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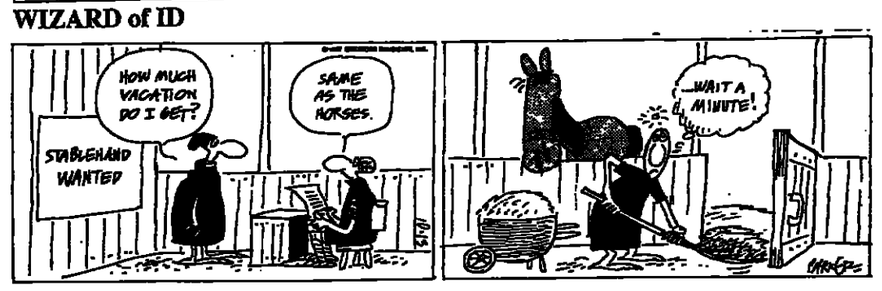
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SPORTS

Rome Police Say Tactics Thwarted Hooligans

Reuters

ROME — The police said Sunday they had used force against English soccer fans during a World Cup match here to prevent more serious violence.

The police said it had been impossible to keep opposing fans apart because thousands of England supporters had bought tickets on a thriving black market outside the Olympic stadium for seats in sections reserved for Italians.

The trouble at the World Cup qualifying game started when Italian and English supporters in the southern end of the ground hurled plastic seats at one another across an empty section guarded by police. When a handful of England supporters edged toward the Italians, police officers in riot gear pushed them back.

The pattern was repeated throughout the first half of the match, with police wading into the English fans each time they encroached the buffer zone separating them from the Italians.

"The incidents in the southern area of the ground occurred because of repeated attempts by hooligans, all of them under the influence of alcohol, to get across to the southern curve" where the Italians fans were, said Rino Monaco, a senior police officer. "To stop them, we had to take measures to relieve the situation, and they had the desired effect. They prevented more serious incidents, and as a result, things returned to normal."

"The Italians should be ashamed of themselves for the manner in which they reacted," said David Mellor, head of the British government's Football Task Force. "Swinging their batons, bashing people while they were on the ground — that was not the behavior of a civilized police force."

Monaco said there were 15,000 to 16,000 English fans in the stadium, rather than the 9,000 who had bought tickets through official channels in Britain.

Police said 28 people, 24 of them English, had been arrested between Friday and Sunday morning. Police said 69 people, 33 of them English, were injured in the same period. They included an English fan stabbed in Rome early Sunday. Sixteen officers and three members of the Carabinieri paramilitary police were injured.



Massimo Sambucetti/The Associated Press

England's Paul Gascoigne tackling Italy's Dino Baggio during their qualifying match, which ended in a draw.

England Battles Italy to a Cup Draw

By Peter Berlin
International Herald Tribune

ROME — England advanced to the World Cup finals in France after an ugly and nerve-racking 0-0 draw with Italy, on a tense and ugly night in Rome.

England needed only to draw to finish first in European qualifying in Group 2. The Italians needed to win. England gained the result it needed after a mean-spirited and disjointed game. For most of the first half, while the players kicked each other on the field, the Italian police and a section of England's fans battled for control of a small patch of the stands.

All week the two coaches had engaged in a war of words. Glenn Hoddle, England's coach, insisted that his team knew only how to attack. Cesare Maldini, his Italian counterpart, said that his team would wait for the English to press forward and score on the counterattack.

In the end, Hoddle adopted a traditionally Italian approach, opting for a five-man defense screen and adding two defense-minded midfielders.

Meanwhile, Maldini, a naturally cautious coach, bowed to reality and picked an extra striker, adding Filippo Inzaghi to the expected pairing of Gianfranco Zola and Christian Vieri.

Early on, Italy threatened most when defender Paolo Maldini galloped forward. But Maldini injured himself kicking Paul Ince, who was already spattered in blood from a head wound. After Maldini left, the creative weight fell entirely on Zola's small shoulders.

England was content to contain, but created the only two clear scoring chances of the first 90 minutes: Ince smashed his shot straight at Angelo Peruzzi and David Beckham curled his shot just high.

Mario van der Ende, the Dutch referee, produced his yellow card nine times. The most notable offender was Angelo Di Livio. He received a yellow card in the first half and played most of the second in a barely controlled fury, arguing repeatedly with van der Ende. Finally he leaped at Sol Campbell, England's immense central defender, apparently intent on kicking with both feet at once and was thrown out of the game.

As the teams tired, attacking players finally found a little space. As Del Piero burst into the England penalty area, Tony Adams appeared to trip him. Instead of calling a penalty, Van der Ende showed Del Piero a yellow card for diving.

While the game was rarely graceful, it was always engrossing and ended in heart-stopping theater.

In injury time, Ian Wright, the England striker broke clear, beat Peruzzi, steadied himself and fired the ball against the post.

Within seconds Vieri was free in front of England's goal. He guided his header past the flatfooted Seaman but also just past the post, and now Italy must win a playoff to go to the World Cup finals next summer.

Germans and Dutch Win Without Genius

By Ian Thomsen
International Herald Tribune

French officials, who are still arguing over whether to remove fences from their stadiums for the 1998 World Cup, learned Saturday that their security forces will be distressed by more than just the English fans.

The Germans and the Dutch also advanced, and if their supporters should meet during the 32-team World Cup finals next June and July, the result could be violent. Another jackpot of bad moods could develop if Yugoslavia and Croatia meet either in the European playoff round, for which both qualified this weekend, or in France.

WORLD CUP SOCCER

Twenty of the World Cup finalists are now known. Eleven of them are from Europe. An additional four European finalists will be derived from a home-and-away playoff in the next month involving the second-place teams from the nine European qualifying groups. The draw for those playoffs will be held Monday in Zurich.

The leading European soccer powers, with the exception of Italy, assured their places in the finals as the 18-month qualifying tournament ended Saturday. The Germans, the Dutch and the Spanish, like Italy, looked fairly miserable in their final match. Most worried of all was Germany, which almost failed to advance during its outrageous 4-3 victory over Albania, the last-place team in Group 9, which arrived in Hannover with just four goals in nine games.

Juergen Klinsmann and Matthias Sammer were both sidelined for Germany, which needed only a draw to qualify for France. In their place as captain was Juergen Kohler, who intercepted an enemy cross with a diving header (the first own-goal of his international career) to give Albania the opening lead in the 55th minute.

Thomas Helmer and Oliver Bierhoff put Germany ahead, only to see Kohler present Albania's Igli Tare with the equalizer with 10 minutes left. With four minutes remaining, the Germans were celebrating a go-ahead goal by Olaf Marschall; two minutes later the Albanians scored to make it 3-3. Usually, matches like this only happen in the comic books. In the final minute, Bierhoff produced the clincher, much as he had done two summers ago with a pair of goals at the end of Germany's victory for the European Championship.

"I hope it's a good sign because it was just like for the 1990 World Cup," said Bierhoff, recalling Germany's comeback, 2-1 qualifying victory over Wales. Germany won the World Cup that year. This team seems more prone to lapses.

"The important thing is that we have qualified," the injured Klinsmann said after watching from the stands. "Other nations such as Italy or England would have been just too happy if we had not."

Like its German rivals, the Netherlands barely made it through with a scoreless draw over visiting Turkey. Spain also qualified with a cautious 3-1 win over the normally unobtrusive Faroe Islands.

Denmark and Austria each won their groups Saturday to qualify for the finals. Denmark advanced via a scoreless draw in Athens, which dropped the Greeks to third place. They were overtaken by Croatia, which advances to the playoffs.

Another victim of heartbreak was Finland, which lost its place in the upcoming playoff to Hungary on an equalizing goal in injury time by Vilmos Sebok.

In Group 4, Scotland finished behind Austria, but the Scots had the best record of the European second-place teams and thus qualified outright for the finals.

Scotland's decisive 2-0 victory in Glasgow over Latvia served as sad confirmation for Sweden. The Swedes placed third at the 1994 World Cup in the United States, but they won't appear in France next summer.

In Asia, meanwhile, nothing has yet been decided in the two final qualifying groups.

On Saturday, Fahd Muhalel scored in the 66th minute to give Saudi Arabia a 1-0 victory over Qatar. The victory left the Saudis a point behind Iran, the group A leader, and level with China.

In Group B, Wagnar Lopes scored with a minute remaining to give Japan a 1-1 draw in Uzbekistan. Japan, which fired manager Shu Kamo on Oct. 5 after a 1-1 draw in Kazakstan, remained in third place in the group, a point behind the United Arab Emirates. South Korea leads the group.

The two Asian group winners qualify for the World Cup. The runners-up meet in a playoff with the winner qualifying and the loser having to play Australia for one last chance at the 32-team field.

SCOREBOARD

BASEBALL

NL CHAMPIONSHIP

FRIDAY'S LINESCORES

Atlanta 000 101 000—2 6 1
Florida 000 104 00x—5 8 1

Smoltz, Cather (7), Ligtenberg (8) and J. Lopez; Saunders, L.Hernandez (6), Cook (8), Nen (9) and C. Johnson. W—L. Hernandez 1-0. L—Smoltz 0-1. Sv—Nen (2). HR—Florida, Sheffield (1).

SATURDAY'S LINESCORES

Atlanta 101 020 000—4 11 0
Florida 000 000 000—0 4 0

Neagle and J. Lopez; A.Leiter, F. Heredia (7), Vosberg (9) and C.Johnson. W—Neagle, 1-0. L—A. Leiter, 0-1. HR—Atlanta, Blauser (1).

Series tied 2-2.

AL CHAMPIONSHIP

SATURDAY'S LINESCORES

Baltimore 000 000 001 000—1 8 1
Cleveland 000 000 100 001—2 6 0

(12 innings): Mussina, A. Benitez (8), Orosco (9), Mills (9), Rhodes (10), Ra.Myers (11) and Holles, Webster (9); Hershiser, Assenmacher (8), M.Jackson (8), Mesa (9), Juden (11), Morman (11), Plunk (12) and S.Alomar. W—Plunk, 1-0. L—Ra.Myers, 0-1.

Cleveland leads series 2-1.

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	83	51	2	.619	—
Yokohama	72	63	—	.533	11.5
Hiroshima	65	69	—	.485	18.0
Yomiuri	63	72	—	.467	20.5
Hanshin	62	73	1	.459	21.5
Chunichi	59	76	1	.437	24.5

x-clinched league pennant

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Seibu	76	56	3	.576	—
Orix	71	61	3	.538	5.0
Kintetsu	68	63	4	.519	7.5
Nippon Ham	63	71	1	.470	14.0
Daiei	63	71	1	.470	14.0
Lotte	57	76	2	.429	19.5

x-clinched league pennant

SATURDAY'S RESULTS

CENTRAL LEAGUE
Yakult 6, Hiroshima 4
Hanshin 10, Yokohama 2
PACIFIC LEAGUE
Orix 7, Lotte 3

SUNDAY'S RESULTS

CENTRAL LEAGUE
Yokohama 5, Hanshin 1
PACIFIC LEAGUE
Seibu 11, Orix 3
Daiei 4, Lotte 2, first game
Lotte 9, Daiei 0, second game

ICE HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Washington	5	1	0	10	25	13
Philadelphia	4	2	0	8	19	13
New Jersey	3	2	0	6	13	12
N.Y. Rangers	1	0	4	6	14	11
Tampa Bay	2	2	1	5	12	11
N.Y. Islanders	1	2	1	3	9	11
Florida	1	2	0	2	9	11

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Ottawa	2	1	2	6	10	10
Montreal	2	1	1	5	11	9
Buffalo	2	3	1	5	15	17
Pittsburgh	2	3	1	5	15	18
Boston	2	3	0	4	14	19
Carolina	1	4	1	3	13	19

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Detroit	4	0	0	8	17	4
St. Louis	4	1	0	8	18	11
Dallas	2	2	1	5	15	9
Phoenix	2	2	1	5	15	16
Toronto	1	3	1	3	6	12
Chicago	0	4	0	0	5	20

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	4	0	2	10	18	10
Edmonton	2	2	1	5	12	18
San Jose	2	3	0	4	13	13
Anaheim	1	1	1	3	6	6
Vancouver	1	2	1	3	10	13
Los Angeles	0	2	3	3	15	17
Calgary	0	3	1	1	4	10

FRIDAY'S RESULTS

New Jersey 0 0 1—1
Carolina 1 0 1—2

First Period: Carolina, Sanderson 2 (Kapanen, O'Neill) Second Period: None. Third Period: N.J.-McKay 4 (Niedermayer, Andreychuk), 3, Carolina, Leach 1 (Kron, Wesley) Shots on goal: N.J.- 4-4-9—17. Carolina 13-9-5—27. Goalies: N.J.-Brodeur. Carolina, Kidd.

Tampa Bay 0 0 0—0
Detroit 0 1 2—3

First Period: None. Second Period: D-Kocur 1 (Gilchrist) Third Period: D-Larionov 1 (Lidstrom, Murphy) (pp). 3, D-McCarty 1 (Shanahan) (en). Shots on goal: T- 10-9-10—29. D- 10-12-14—36. Goalies: T-Schwab. D-Osgood.

Chicago 0 0 0—0
Dallas 1 4 2—7

First Period: D-Nieuwendyk 2 (Harvey, Zubov) Second Period: D-Harvey 1 (Hogue). 3, D-, Modano 3, (sh). 4. D-Nieuwendyk 3 (Sydor, Modano) (pp). 5. D-Modano 4 (Lehtinen, Sydor) Third Period: D-Modano 5 (Adams) 7, D-, Langenbrunner 1 (Bassen) Shots on goal: C- 2-4-8—14. D- 7-13-5—25. Power-play Opportunities—C- 0 of 5; D- 1 of 5. Goalies: C-Terreri. D-Belfour.

Ottawa 0 1 0 0—1
Anaheim 0 0 1 0—1

First Period: None. Second Period: O-Bonk 3 (Arvedsson, Hill) Third Period: A-Knutsen 1 (Selanne, Daigneault) (pp). Overtime: None. Shots on goal: O- 7-12-4-1—24. A- 6-4-5-1—16. Goalies: O-Tugnutt. A-Hebert.

SATURDAY'S RESULTS

Carolina 1 0 0—1
Pittsburgh 2 1 1—4

First Period: P-Francis 2 (Jagr, Straka) (pp). 2, P-Jagr 2 (Francis, Barrasso) 3, Carolina, Primeau 2 (Roberts, Kron) (pp). Second Period: P-Barnes 1 (C.Ferraro, Kasparaitis) (pp). Third Period: P-Barnes 2 (Brown, Slegr) (pp). Shots on goal: Carolina 6-7-8—21. P- 11-15-8—34. Goalies: Carolina, Burke. P-Barrasso.

N.Y. Islanders 0 1 0—1
Washington 0 3 0—3

First Period: None. Second Period: W-Bulis 1 (Cote, Zednik) 2, W-Svejkovsky 3 (Witt, Juneau) 3, New York, Berard 2 (Reichel) (pp). 4, W-Gonchar 1 (Juneau) (pp). Third Period: None. Shots on goal: N.Y.- 1-9-8—18. W- 6-7-7—20. Goalies: N.Y.-Salo. W-Kolzig.

Philadelphia 1 4 1—6
Montreal 0 2 0—2

First Period: P-LeClair 2, Second Period: M-Recchi 5 (Corson, Koivu) (pp). 3, M-Bure 2 (Rucinsky, Brisebois) 4, P-, Zubrus 2 (LeClair, Desjardins) 5, P-LeClair 3 (Lindros, Zubrus) 6, P-LeClair 4 (Samuelsson, Lindros) 7, P-Lindros 4 (LeClair, Zubrus) Third Period: P-Kordic 1 (Prospal, Lacroix) Shots on goal: P- 12-12-8—32. M- 7-8-8—23. Goalies: P-Hextall. M-Moog, Thibault.

Buffalo 1 1 0—2
New Jersey 0 1 2—3

First Period: B-Grosek 1 (Brown, Rasmussen) Second Period: N.J.-Niedermayer 1 (Andreychuk, Gilmour) (pp). 3, B-Dawe 5 (Zhitnik, Shannon) (pp). Third Period: N.J.-Holik 2 (Andreychuk) 5, New Jersey, Andreychuk 1 (Gilmour, Holik) (pp). Shots on goal: B- 11-5-10—26. N.J.- 6-13-11—30. Goalies: B-Shields. N.J.-Brodeur.

Toronto 1 0 0—1
Edmonton 1 1 0—2

First Period: E-Whitney 1 (McAmmond, Berehowsky) 2, T-Warriner 2 (Hendrickson) Second Period: E-Lindgren 1, (sh). Third Period: None. Shots on goal: T- 11-8-10—29. E- 11-9-10—30. Goalies: T-Potvin. E-Joseph.

Florida 1 1 1—3
St. Louis 2 1 2—5

First Period: S.L.-Turcotte 1 (Yake, MacInnis) (pp). 2, S.L.-MacInnis 4 (Murphy, Demitra) 3, F-, Wells 1 (Fitzgerald, Lindsay) Second Period: F-Murphy 1 (Mellanby, Jovanovski) (pp). 5, S.L.-Hull 6 (Campbell, Duchesne) (pp). Third Period: S.L.-Hull 7, 7, F-Mellanby 1 (Tikkanen, Svehla) (pp). 8, S.L.-Demitra 1 (Atcheynum) (sh). Shots on goal: F- 7-5-8—20. S.L.- 7-12-10—29. Goalies: F-Fitzpatrick. S.L.-Fuhr.

Phoenix 0 0 1 0—3
Colorado 0 2 1 0—3

First Period: None. Second Period: C-Sakic 3 (Krupp) 2, C-, Deadmarsh 3 (Lemieux, Sakic) (pp). Third Period: Phoenix, Drake 3 (Tkachuk, Janney) 4, Phoenix, Janney 2 (Quint, Drake) 5, C-Messier 1 (Sakic, Corbet) 6, Phoenix, Roenick 2 (Isbister, Boron) Overtime: None. Shots on goal: Phoenix 5-12-12-2—31. C- 16-13-18-1—48. Goalies: Phoenix, Khabibulin. C-Roy.

N.Y. Rangers 1 4 1—6
Vancouver 0 2 0—3

First Period: New York, Driver 1 (Gretzky, Sundstrom) Second Period: V-Messier 2 (Bure, Ledyard) 3, New York, Graves 2 (LaFontaine, Keane) 4, New York, Driver 2 (Sundstrom, Gretzky) 5, New York, Gretzky 1 (Sundstrom, Samuelsson) 6, V-Staios 1 (Bure, Linden) 7, New York, Gretzky 2 (Stevens, Samuelsson) Third Period: New York, Gretzky 3 (Stevens) 9, V-Gelinas 1 (Walker, Ohlund) Shots on goal: N.Y.- 11-10-11—32. V- 7-10-6—23. Goalies: N.Y.-Richter. V-McLean.

Boston 1 0 1—2
San Jose 1 3 1—5

First Period: S.J.-Zyuzin 1 (Granato, Nicholls) 2, B-Bourque 1 (DiMaio, McLaren) (pp). Second Period: S.J.-Gill 1 (Sturm, Friesen). 4, San Jose, Sturm 2 (Nolan) 5, S.J.-Kozlov 3 (Marleau) Third Period: B-Axelsson 1 (Taylor, Elliott) (pp). 7, S.J.-Craven 1 (Houlder, Ratliff) Shots on goal: B- 5-7-6—18. S.J.- 6-14-5—25. Goalies: B-Dafoe. S.J.-Vernon.

FOOTBALL

MAJOR COLLEGE SCORES

Air Force 10, Navy 7
Bucknell 25, Yale 24
Colgate 44, Lafayette 6
Dartmouth 31, Fordham 10
Harvard 34, Cornell 9
Holy Cross 45, Columbia 16
Lehigh 24, Penn 7
Notre Dame 45, Pittsburgh 21
Penn St. 31, Ohio St. 27
Princeton 30, Brown 13
Rhode Island 20, Boston U. 17
Villanova 49, Massachusetts 27
Alcorn St. 24, Prairie View 9
Auburn 49, Louisiana Tech 13
Florida St. 51, Duke 27
Georgia Tech 27, N. Carolina St. 17
Grambling St. 20, Miss. Valley St. 13
LSU 28, Florida 21
Marshall 52, Akron 17
Mississippi St. 24, NE Louisiana 10
North Carolina 30, Wake Forest 12
South Carolina 38, Kentucky 24
Tennessee 38, Georgia 13
Virginia 21, Clemson 7
Virginia Tech 17, Boston College 7
Kansas St. 41, Missouri 11
Michigan 23, Northwestern 6
Michigan St. 38, Indiana 6
Purdue 59, Minnesota 43
Vanderbilt 17, N. Illinois 7
Wisconsin 31, Illinois 7
Nebraska 49, Baylor 21
Oklahoma St. 33, Colorado 29
Rice 27, Brigham Young 14
Texas 27, Oklahoma 24
Texas A&M 56, Iowa St. 17
Texas Tech 17, Kansas 7
Arizona 28, Stanford 22
Arizona St. 35, Southern Cal 7
Oregon St. 24, Utah St. 16
Southern Meth. 20, Utah 19
UCLA 39, Oregon 31
UNLV 21, Texas Christian 19
Washington 30, California 3

TOP 25 COLLEGE RESULTS

How top 25 teams in The Associated Press' college football poll fared last week:

1. Florida (5-1) lost to No. 14 LSU 28-21. Next: at No. 8 Auburn, Saturday. 2. Penn State (5-0) beat No. 7 Ohio State 31-27. Next: vs. Minnesota, Saturday. 3. Nebraska (5-0) beat Baylor 49-21. Next: vs. Texas Tech, Saturday. 4. Florida State (5-0) beat Duke 51-27. Next: vs. No. 25 Georgia Tech, Saturday. 5. North Carolina (6-0) beat Wake Forest 30-12. Next: at North Carolina State, Saturday.

6. Michigan (5-0) beat Northwestern 23-6. Next: vs. No. 17 Iowa, Saturday. 7. Ohio State (5-1) lost to No. 2 Penn State 31-27. Next: vs. Indiana, Saturday. 8. Auburn (6-0) beat Louisiana Tech 49-13. Next: vs. No. 1 Florida, Saturday. 9. Tennessee (4-1) beat No. 13 Georgia 38-13. Next: at Alabama, Saturday. 10. Washington (4-1) beat California 30-3. Next: at Arizona, Saturday.

11. Michigan State (5-0) beat Indiana 38-6. Next: at Northwestern, Saturday. 12. Washington State (5-0) did not play. Next: vs. California, Saturday. 13. Georgia (4-1) lost No. 9 Tennessee 38-13. Next: at Vanderbilt, Saturday. 14. LSU (5-1) beat No. 1 Florida 28-21. Next: vs. Mississippi, Saturday. 15. Texas A&M (5-0) beat Iowa State 56-17. Next: at No. 22 Kansas State, Saturday.

16. Stanford (4-2) lost to Arizona 28-22. Next: vs. Arizona State, Saturday. 17. Iowa (4-1) did not play. Next: at No. 6 Michigan, Saturday. 18. UCLA (4-2) beat Oregon 39-31. Next: vs. Oregon State, Saturday. 19. Air Force (7-0) beat Navy 10-7. Next: vs. Fresno State, Saturday. 20. Oklahoma State (6-0) beat No. 24 Colorado 33-29. Next: vs. Missouri, Oct. 25.

21. Brigham Young (2-2) lost to Rice 27-14. Next: vs. Hawaii, Saturday. 22. Kansas State (4-1) beat Missouri 41-11. Next: vs. No. 15 Texas A&M, Saturday. 23. Virginia Tech (5-1) beat Boston College 17-7. Next: at West Virginia, Oct. 25. 24. Colorado (2-3) lost to No. 20 Oklahoma State 33-29. Next: vs. Kansas, Saturday. 25. Georgia Tech (4-1) beat North Carolina State 27-17. Next: at No. 4 Florida State, Saturday.

CFL STANDINGS

EASTERN DIVISION

	W	L	T	PF	PA	Pts.
x-Toronto	14	2	0	28	574	267
x-Montreal	11	5	0	22	425	460
Winnipeg	3	12	0	6	352	478
Hamilton	2	13	0	4	311	466

WESTERN DIVISION

	W	L	T	PF	PA	Pts.
x-Edmonton	9	6	0	18	388	372
x-Calgary	8	7	0	16	428	373
x-Brit. Columbia	8	8	0	16	413	452
Saskatchewan	7	9	0	14	382	405

x-clinched playoff berth

Friday's Result
Saskatchewan 26, B.C. 19
Saturday's Result
Toronto 28, Montreal 21

BASKETBALL

NBA PRESEASON

FRIDAY'S RESULTS

Atlanta 113, Boston 89
Cleveland 105, Indiana 98
Minnesota 81, Detroit 79
Houston 98, Orlando 92
Seattle 100, Chicago 79
Phoenix 93, L.A. Lakers 91
Portland 107, Sacramento 96
Charlotte 109, Golden State 98

SATURDAY'S RESULTS

L.A. Clippers 98, Vancouver 94
Indiana 104, Toronto 100
Detroit 89, Orlando 77
San Antonio 99, Washington 87
Chicago 101, Seattle 92
Atlanta 100, Boston 91
Houston 104, Dallas 103
Utah 105, Charlotte 86

AUTO RACING

JAPANESE GRAND PRIX

SUNDAY, IN SUZUKA, JAPAN
310.596 KILOMETERS (192.798 MILES)

1. Michael Schumacher, Germany, Ferrari, 1 h. 29 m. 48.446 s; 207.508 kph/129.693 mph.
2. H.-H. Frentzen, Ger., Williams at 1.378 s.
3. Eddie Irvine, Britain, Ferrari, 26.384
4. Mika Hakkinen, Fin., McLaren, 27.129
5. Jacques Villeneuve, Can., Williams, 39.776
6. Jean Alesi, France, Benetton, 40.403
7. Johnny Herbert, Britain, Sauber, 41.630
8. Giancarlo Fisichella, Italy, Jordan, 56.825
9. G. Berger, Austria, Benetton, 1:00.429
10. Ralf Schumacher, Ger., Jordan, 1:22.036

DRIVERS' STANDINGS: 1. Villeneuve, 79 points; 2. Schumacher, 78; 3. Heinz-Harald Frentzen, 41; 4. Alesi, 35; 5. David Coulthard, Britain, McLaren, 30; 6. Gerhard Berger, 24; 7. Irvine, 22; 8. Fisichella, 20; 9. Hakkinen, 17; 10. Olivier Panis, Fr., Prost Mugen-Honda, 16.

CONSTRUCTORS' STANDINGS: 1. Williams-Renault, 120 points; 2. Ferrari, 100; 3. Benetton-Renault, 63; 4. McLaren-Mercedes, 47; 5. Jordan-Peugeot, 33; 6. Prost-Mugen Honda, 21; 7. Sauber-Petronas, 15; 8. Arrows-Yamaha, 9; 9. Stewart-Ford, 6; 10. Tyrrell-Ford, 2.

CRICKET

PRESIDENTS' CUP

ZIMBABWE VS. BANGLADESH
SATURDAY, IN NAIROBI, KENYA
Zimbabwe: 305-4 in 50 overs
Bangladesh 257 all out in 48.1 overs
Zimbabwe won by 48 runs.

KENYA VS. ZIMBABWE
SUNDAY, IN NAIROBI
Kenya: 249-8 in 50 overs
Zimbabwe: 242-4 in 47 overs (revised target after rain)
Zimbabwe won by 6 wickets.

CYCLING

WORLD ROAD CHAMPIONSHIP

SAN SEBASTIAN, SPAIN

MEN'S ROAD RACE

258.6-KM (159-MILES) COURSE

1. Laurent Brochard, Fr., 6 h. 16 m. 48 s.
2. Bo Hamburger, Denmark, s.t.
3. Leon Van Bon, Netherlands, s.t.
4. Udo Bolts, Germany, s.t.
5. Melcior Mauri, Spain, s.t.
6. Laurent Dufaux, Switzerland, s.t.
7. Lauri Aus, Estonia, at 9 s.
8. Johan Museeuw, Belgium, at 16 s.
9. Glen Magnusson, Sweden, s.t.
10. Michele Bartoli, Italy, s.t.

UNDER-23 MEN'S ROAD RACE

162-KM (100 MILES) COURSE

1. Kurt Asle-Arvesen, Nor., 3 h. 46 m. 28 s.
2. Oscar Freire, Spain, s.t.
3. Gerrit Glomser, Austria, s.t.
4. Rene Haselbacher, Austria, s.t.
5. Andrej Hauptman, Slovakia, s.t.
6. Danilo Di Luca, Italy, s.t.
7. Francisco Mancebo, Spain, s.t.
8. Serguei Borodoulin, Belarus, s.t.
9. Salvatore Commesso, Italy, s.t.
10. Raivis Belohvoschiks, Latvia, s.t.

WOMEN'S ROAD RACE

108-KM (67 MILES) COURSE

1. Alessandra Cappellotto, It., 2 h. 44 m. 37 s.
2. Elisabeth Tadich, Australia, s.t.
3. Catherine Marsal, France, s.t.
4. Jolanta Polikeviciute, Lithuania, s.t.
5. Cindy Pieters, Belgium, 2:44.39.
6. Karen Bliss-Livingston, U.S., 2:44.50.
7. Hanka Kupfernagel, Germany, s.t.
8. Debby Mansveld, Netherlands, s.t.
9. Rikke Sandhoj Olsen, Denmark, s.t.
10. Simona Parente, Italy, s.t.

GOLF

TOKAI CLASSIC

Leading final scores Sunday in 110 million yen ($909,000) Tokai Classic on 7,050-yard, par-72 Miyoshi Country Club's west course in Nishikamo, Japan:

x-Brandt Jobe, U.S.	68-72-69-69—278
Brian Watts, U.S.	72-68-69-69—278
Eiji Mizoguchi, Jap.	72-71-69-71—283
Toru Taniguchi, Jap.	71-70-70-72—283
K. Tomori, Jap.	73-70-70-71—284
S. Maruyama, Jap.	70-71-72-72—285
Frankie Minoza, Phil.	75-70-67-73—285
Tom Lehman, U.S.	70-77-69-70—286
Steve Jones, U.S.	78-70-67-71—286
Hajime Meshiai, Jap.	71-75-70-71—287

x—won on the first playoff hole.

RUGBY LEAGUE

WORLD CLUB CHAMPIONSHIP

SEMIFINALS
Brisbane Broncos 22, Auckland Warriors 16
Cronulla Sharks 18 Hunter Mariners 22
GRAND FINAL
OCT. 17 AT AUCKLAND, NEW ZEALAND
Brisbane vs. Hunter

RUGBY UNION

EUROPEAN HEINEKEN CUP

GROUP A
Toulouse 38, Leinster 19
Milan 29, Leicester 37
FINAL STANDINGS: x-Toulouse 10 points; y-Leicester & Leinster 4; Milan 2.

GROUP B
Wasps 29, Swansea 28
Glasgow 30, Ulster 15
FINAL STANDINGS: x-Wasps 12 points; y-Glasgow 6; Swansea 4; Ulster 2.

GROUP C
Bath 23, Pontypridd 10
Scottish Borders 29, Brive 39
FINAL STANDINGS: x-Bath 10 points; y-Brive 9; y-Pontypridd 5; Scottish Borders 0.

GROUP D
Cardiff 26, Bourgoin 6
Munster 23, Harlequins 16
FINAL STANDINGS: x-Harlequins 8 points; y- Cardiff 8; Munster 4; Bourgoin 4.

GROUP E
Llanelli 31, Caledonia 10
Pau 56, Treviso 7
FINAL STANDINGS: x-Pau 8 points; y-Llanelli 8; Treviso 4; Caledonia 4.
x-qualifies for quarterfinals
y-enters playoff for quarterfinal place

PLAYOFFS DRAW
Brive vs. Pontypridd
Leicester vs. Glasgow
Cardiff vs. Llanelli
Matches to be played on November 1 or 2.
Draw for the quarterfinals to be made in Dublin on Tuesday.

EUROPEAN CONFERENCE

GROUP A
Agen 51, Ebbw Vale 12
La Rochelle 35, Bristol 7
GROUP B
Sale 20, Montferrand 15
Montpellier 14, Newport 28
GROUP C
Constanza 17, Dax 23
Stade Francais 28, London Irish 29
GROUP D
Northampton 15, Connacht 20
Begles-Bordeaux 27, Nice 8
GROUP E
Bridgend 25, Grenoble 21
Richmond 25, Colomiers 49
GROUP F
Beziers 26, Toulon 12
Padova 14, Gloucester 29
GROUP G
Biarritz 32, Newcastle 28
Edinburgh 18, Perpignan 15
GROUP H
Castres 68, Neath 8
Saracens 40, Narbonne 19

SOCCER

WORLD CUP

EUROPEAN ZONE

GROUP 1
Slovenia 1, Croatia 3
Greece 0, Denmark 0
FINAL STANDINGS: q-Denmark 17 points; p-Croatia 15; Greece 14; Bosnia 9; Slovenia 1.

GROUP 2
Georgia 3, Poland 0
Italy 0, England 0
FINAL STANDINGS: q-England 19 points; p-Italy 18; Poland 10; Georgia 10; Moldova 0.

GROUP 3
Finland 1, Hungary 1
Switzerland 5, Azerbaijan 0
FINAL STANDINGS: q-Norway 20 points; p-Hungary 12; Finland 11; Switzerland 10; Azerbaijan 3.

GROUP 4
Austria 4, Belarus 0
Scotland 2, Latvia 0
Sweden 1, Estonia 0
FINAL STANDINGS: q-Austria 25 points; q-Scotland 23; Sweden 21; Latvia 10; Estonia 4; Belarus 4.

GROUP 5
Cyprus 2, Luxembourg 0
Russia 2, Bulgaria 1
FINAL STANDINGS: q-Bulgaria 18 points; p-Russia 17; Israel 13; Cyprus 10; Luxembourg 0.

GROUP 6
Czech Republic 3, Slovakia 0
Malta 0, Yugoslavia 5
Spain 3, Faeroe Islands 1
FINAL STANDINGS: q-Spain 26 points; p-Yugoslavia 23; Czech Rep. 16; Slovakia 16; Faeroe Islands & Malta 0.

GROUP 7
Belgium 3, Wales 2
Netherlands 0, Turkey 0
FINAL STANDINGS: q-Netherlands 19 points; p-Belgium 18; Turkey 14; Wales 7; San Marino 0.

GROUP 8
Iceland 4, Liechtenstein 0
Ireland 1, Romania 1
Macedonia 1, Lithuania 2
FINAL STANDINGS: q-Romania 28 points; p-Ireland 18; Lithuania 17; Macedonia 13; Iceland 9; Liechtenstein 0.

GROUP 9
Armenia 0, Ukraine 2
Germany 4, Albania 3
Portugal 1, Northern Ireland 0
FINAL STANDINGS: q-Germany 22 points; p-Ukraine 20; Portugal 19; Armenia 8; N. Ireland 7; Albania 4.
q-qualified for World Cup
p-advanced to playoffs

ASIA ZONE

SECOND ROUND
GROUP A
Saudi Arabia 1, Qatar 0
STANDINGS: Iran 8 points; Saudi Arabia 7; China 7; Kuwait 4; Qatar 1.
GROUP B
Kazakstan 1, South Korea 1
Uzbekistan 1, Japan 1
STANDINGS: South Korea 13 points; Utd Arb Emrts 7; Japan & Kazakstan 3; Uzbekistan 2.

FRIENDLY INTERNATIONAL

France 2, South Africa 1

TENNIS

HEINEKEN CUP

IN SINGAPORE
SEMIFINALS
Nicolas Kiefer, (8) Germany, def. Mikael Tillstrom, Sweden, 6-7 (7-1), 6-3, 6-3.
Magnus Gustafsson, (7) Swe., def. Thomas Johansson, (5) Swe., 7-6 (7-3), 4-6, 7-6 (10-8).
FINAL
Gustafsson def. Kiefer 4-6, 6-3, 6-3.

CA TROPHY

IN VIENNA, AUSTRIA
SEMIFINALS
Greg Rusedski (4), Britain, def. Tim Henman, Britain, 6-4, 6-4.
Goran Ivanisevic (3), Croatia, def. Richard Krajicek, Netherlands, 5-7, 6-4, 7-6 (8-6).
FINAL
Ivanisevic def. Rusedski 3-6, 6-7 (4-7), 7-6 (7-4), 6-2, 6-3.

PORSCHE CUP

IN FILDERSTADT, GERMANY
SEMIFINALS
Lisa Raymond, U.S., def. Irina Spirlea (8), Romania, 6-3 6-1.
Martina Hingis (1), Switzerland, def. Amanda Coetzer (5), South Africa, 6-2 6-1.
FINAL
Hingis def. Raymond 6-4, 6-2.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

ANAHEIM—Announced INF Craig Grebeck and LHP Greg Cadaret have cleared waivers and become free agents. Activated RHP Mark Gubicza and INF Randy Velarde from 60-day disabled list.

MINNESOTA—Acquired RHP Joe Mays and RHP Jeromy Palki from Seattle to complete trade for OF Roberto Kelly.

NEW YORK—Declined to exercise their 1998 option on OF Tim Raines.

NATIONAL LEAGUE

NEW YORK—Released LHP Takashi Kashiwada.

PHILADELPHIA—Announced OF Danny Tartabull, RHP Scott Ruffcorn and LHP Billy Brewer refused minor league assignments and became free agents.

ST. LOUIS—Announced they will not renew contracts of Gene Gieselmann, trainer, and Mike Gibbons, strength and conditioning coach. Signed INF-OF Mike Hardge.

SAN DIEGO—Named Jim Daniel assistant trainer.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

CHICAGO—Agreed to terms with F Dennis Rodman on 1-year contract.

DETROIT—Waived G Randolph Childress.

L.A. CLIPPERS—Waived F Quinn Harwood, F-G Malcolm Leak and F-G Mark Young.

MINNESOTA—Signed G Reggie Jordan.

NEW JERSEY—Waived G Kard Culuko and F Jimmy Carruth.

SACRAMENTO—Waived F Stacey King and C Matt Fish.

SEATTLE—Signed G Greg Anthony to 1-year contract.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

KANSAS CITY—Signed DT Keith Rucker, S Todd Scott. Placed S Kevin Ross on injured reserve. Released LB Bobby Houston.

ST. LOUIS—Put C Bern Brostek on injured reserve. Activated PR David Thompson from practice squad.

TAMPA BAY—Signed P Sean Landeta. Put P Tommy Barnhardt on injured reserve.

WASHINGTON—Signed DT Dan Saso.

HOCKEY

NATIONAL HOCKEY LEAGUE

ANAHEIM—Returned C Matt Cullen and D Ruslan Salei to Cincinnati, AHL.

COLLEGE

MICHIGAN—Fired Steve Fisher as men's basketball coach.

ADVERTISEMENT



مكرر عن الاصل

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Patriots Rebound And Beat Bills, 33-6

The Associated Press

Reverting to their early season form, the New England Patriots rented the Buffalo Bills, 33-6, Sunday, six days after losing their first game of the season to Denver.

A year ago after being roughed up by the Broncos, the Patriots won four of their last five regular-season games and reached the Super Bowl.

Place-kicker Adam Vinatieri also has rallied since missing a 40-yard field goal attempt in last year's defeat to Denver. He has made all 20 since then, the longest current streak in the National Football League, and went 4-for-4 Sunday, including a career-best 52-yarder.

NFL Roundup

And Drew Bledsoe, who struggled in both those games with Denver, threw touchdown passes Sunday of 20 yards to Ben Coates and 4 yards to Keith Byars.

The Bills (3-3) couldn't stop the run either. They allowed Curtis Martin to run for 99 yards and a 26-yard touchdown. Buffalo managed to avoid its second shutout since Marv Levy became coach in 1986 when Darick Holmes scored on a 1-yard run with 13:59 left in the game.

The Patriots (5-1) won their first four games this season, outscoring mostly weak opponents, 130-40. Then they ran into the unbeaten Broncos, losing 34-13. On Sunday, with first place in the American Football Conference East at stake, they ran over the Bills.

Buffalo's chances dropped drastically after quarterback Todd Collins left the game with a bruised left shoulder on its second possession when he was sacked by Tedy Bruschi.

Billy Joe Hobert took over, and the Patriots took advantage. On Hobert's first play, he threw an interception to Willie Clay, who had two against Denver last week. He returned it to the Buffalo 20-yard line, but the Patriots couldn't get past the 6, and Vinatieri kicked a 20-yard field goal for a 10-0 lead.

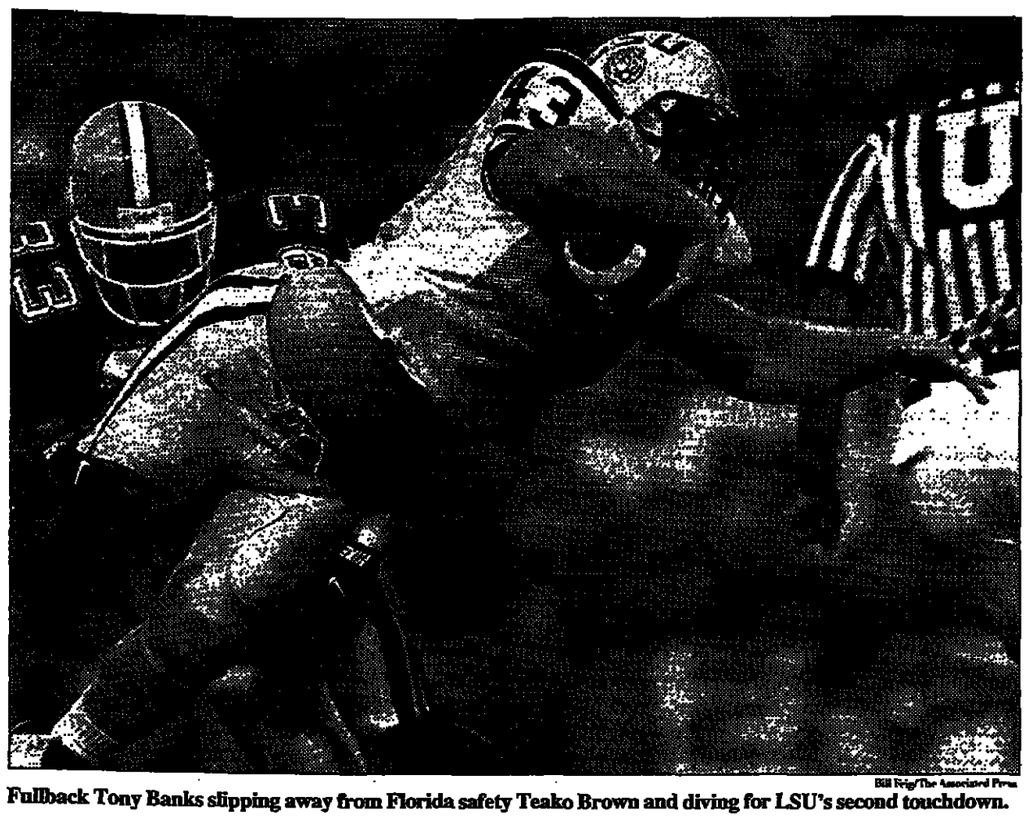
Hobert threw another interception on the second play of the second quarter that led to Vinatieri's 23-yarder. Buffalo punted on its next series and Vinatieri hit a 41-yarder for a 16-0 halftime lead.

The Bills kept the Patriots from scoring a touchdown again on the first possession of the second half, but Vinatieri came through again, from 52 yards as he extended his team record to 20 straight field goals.

Lions 27, Buccaneers 9 Barry Sanders ran for 215 and scored three touchdowns as Detroit ended Tampa Bay's eight-game home winning streak.

Sanders, a three-time NFL rushing champion, scored on runs of 80 and 82 yards and caught a 7-yard TD pass from Scott Mitchell.

Scores in other early games: Atlanta 23, New Orleans 17; Tennessee 30, Cincinnati 7; Green Bay 24, Chicago 23; Jacksonville 38, Philadelphia 21; Miami 31, New York Jets 20.



Bill Feig/The Associated Press

Fullback Tony Banks slipping away from Florida safety Teako Brown and diving for LSU's second touchdown.

LSU Opens the Door for Penn State

No. 1 Florida Falls as Nittany Lions Beat Ohio State, 31-27

The Associated Press

Top-ranked Florida lost to No. 14 Louisiana State University to clear the way for No. 2 Penn State to regain the No. 1 spot in college football.

Earlier Saturday, the Nittany Lions beat No. 7 Ohio State, 31-27.

Penn State started the season No. 1 but fell to No. 2 on Sept. 21 after Florida beat then-No. 4 Tennessee. But the Gators' stunning 28-21 loss Saturday to LSU should vault the Lions back to No. 1.

College Football Roundup

Cedric Donaldson returned an interception 31 yards for a touchdown for LSU and Herb Tyler, the LSU quarterback, scored on an 11-yard run during a 93-second span in the fourth quarter in Baton Rouge, Louisiana.

The Tigers (5-1, 3-1 Southeastern Conference) beat Florida (5-1, 3-1), the defending national champion, for the first time since 1987 and avenged last year's embarrassing 56-13 loss to the Gators.

"The team's probably not quite near as good as everybody thought a No. 1 team should be," said Steve Spurrier, the Florida coach.

The Tigers soapped the Gators' two long SEC winning streaks: 25 games overall and 19 straight on the road.

In State College, Pennsylvania, Curtis Enis, Penn State running back Curtis Enis rushed for 211 yards and a fourth-quarter touchdown as the Nittany Lions (5-0, 2-0 Big Ten) avenged last year's 38-7 loss at Ohio State (5-1, 1-1).

No. 3 Nebraska 49, Baylor 21 In Waco, Texas, Ahman Green scored four touchdowns and rushed for 158 yards as Nebraska (5-0, 2-0 Big 12) beat Baylor (1-4, 0-2) in a rain-drenched game.

No. 4 Florida State 51, Duke 27 In Durham, North Carolina, Thad Busby ran for two touchdowns and threw for a score, and Florida State (5-0, 3-0 Atlantic Coast Conference) took advantage of turnovers by Duke (2-4, 0-3).

No. 5 North Carolina 30, Wake Forest 12 In Chapel Hill, North Carolina , the Tar Heels (6-0, 3-0 ACC) converted a Wake Forest fumble and a blocked punt into two quick third-quarter scores.

No. 6 Michigan 23, Northwestern 6 In Ann Arbor, Michigan, Brian Griese threw two TD passes to Jerame Tuman and Michigan (5-0, 2-0 Big Ten) held an opponent without a touchdown for the fourth time in five games.

No. 9 Tennessee 38, No. 13 Georgia 13 Tennessee freshman Jamal Lewis gained 232 yards and Peyton Manning threw for 343 yards and four touchdowns to lead Tennessee (4-1, 2-1 SEC) over visiting Georgia (4-1, 2-1).

No. 10 Washington 30, California 3 In Berkeley, California, Rashaan Shehee ran for 123 yards and two scores and Washington (4-1, 2-0 Pac-10) held California (2-3, 0-2) without a touchdown.

Arizona 28, No. 16 Stanford 22 In Tucson, Arizona, Ortege Jenkins, a redshirted freshman making his second career start for Arizona, threw four touchdown passes as Arizona (3-3, 1-2 in Pac-10) beat Stanford (4-2, 2-1).

No. 18 UCLA 39, Oregon 31 In Eugene, Oregon, Jim McElroy came back from a first-quarter concussion to catch a 40-yard pass for the go-ahead touchdown in the third quarter. Cade McNown rushed for two touchdowns and passed for one as UCLA (4-2, 2-1 Pac-10) won.

No. 19 Air Force 10, Navy 7 In Annapolis, Maryland, Tim Curry recovered a blocked punt for a touchdown and stopped a late Navy (2-3) threat with a fumble recovery as Air Force improved to 7-0.

No. 20 Oklahoma State 33, No. 24 Colorado 29 In Stillwater, Oklahoma, Tony Lindsay threw a 19-yard TD pass to Alonzo Mayes with 1:56 left to lift Oklahoma State, which improved to 6-0. Colorado (2-3, 0-2 Big 12) had beaten the Cowboys eight straight times.

Rice 27, No. 21 BYU 14 In Houston, Benji Wood ran for 167 yards and two touchdowns as Rice (4-2, 2-1 WAC) snapped Brigham Young's 11-game winning streak.

■ Harvard Beats Cornell, 34-9

Harvard scored on all three of its possessions in the third quarter to win, 34-9, on Saturday at Cornell.

At Yale, Sean Thompson's blocked punt set up the go-ahead score, and the Bucknell defense stopped a two-point conversion late in the fourth quarter as the Bison held on for a 25-24 victory.

Columbia fumbled on its first two snaps and went on to lose, 45-16, to Holy Cross in New York.

A Bad Memory Helps Neagle Snag Marlins

By Buster Olney
New York Times Service

MIAMI — For months, Denny Neagle tried forgetting Game 4 of last year's World Series, tried ignoring the memory of blowing a 6-0 lead to the Yankees in the pivotal inning of the entire postseason. Lately, however, Neagle, the Braves' left-hander, had been thinking about that game again, for motivational purposes.

On Saturday night, Neagle pitched a four-hitter for a 4-0 victory over the Florida Marlins in Game 4 of the National League Championship Series, a victory that squared the 4-of-7-game series at two games apiece and ensured that the series will end in Atlanta.

Greg Maddux pitches here for Atlanta on Sunday in Game 5, against Florida's Kevin Brown.

This was Neagle's first postseason start since Game 4 of last year's World Series.

"Obviously, you can look at my game and say it was the turning point of the series," Neagle said. "I had a lot of time to think about that game this winter, and if I had just gone one more inning, I could have set up our bullpen a lot better. Who knows? We win that game, we're up, 3-1, and it would be a whole different story."

The Braves, Neagle said recently, talked about that game in team meetings, trying to erase its memory. But these days, he said, "would be a good time to think about that, to use that as motivational force."

Neagle, an expert impressionist, easily passes for someone completely harmless as a person and pitcher. He can imitate a train whistle perfectly, laughs and jokes a lot and does not throw very hard. Facing a hard thrower like the Expos' Pedro Martinez can be frightening; going hitless against Neagle and his soft change-ups is merely annoying.

But Neagle has developed into an excellent pitcher, able to change speeds as well as any pitcher in the game. He was the league's only 20-game winner, and if it were not for a late-season injury to his nonthrowing shoulder, Neagle might have won a couple of more games and the NL Cy Young Award.

There was some question about Neagle as he started Saturday night, because he had made only one start since Sept. 21, and in that game — on Sept. 28, against the New York Mets at Shea Stadium — Neagle allowed five hits and five runs in five innings. As Atlanta's No. 4 starter, he was not needed in the three-game sweep of Houston in the division series, and he acknowledged that he felt concern about whether his command would suffer.

No need for worry. Neagle stifled the Marlins expertly, his change-up nipping the strike zone low and outside enough that the Marlins could not take many pitches; rather, the Marlins had to be aggressive early in the count, a tactic that plays into the hands of a pitcher like Neagle.

He threw first-pitch strikes to nine of 10 hitters in one stretch and did not fall into his first three-ball count until the fifth inning. Kurt Abbott had the Marlins' only hit in the first five innings, a bunt single pushed to the right side of the infield.

Trailing, 4-0, in the bottom of the sixth, the Marlins had runners at first and second and two out, the first time they had advanced a runner into scoring position. Gary Sheffield smashed a hard shot past Neagle, toward center field — hit right to second baseman Tony Graffanino, who was positioned near second base against Sheffield, normally a dead-pull hitter. Neagle needed only four pitches to get through the seventh inning.

■ Florida Rally Wins Game 3

The Marlins used a four-run sixth inning — punctuated by Charles Johnson's bases-clearing double — to rally for a 5-2 victory over the Atlanta Braves in Game 3 of the National League championship series Friday night, the Los Angeles Times reported.

The Marlins took a 2-1 lead in the best-of-seven series on Johnson's two-out double to left-center against right-hander John Smoltz. The hit broke a 2-2 tie.

Gary Sheffield hit a solo home run against Smoltz to tie the score, 1-1, with two out in the fourth inning. The Braves took a 1-0 lead in the top of the inning when Kenny Lofton scored on Fred McGriff's sacrifice fly.

Florida began the sixth trailing, 2-1, after Jeff Blauser scored on Javy Lopez's sacrifice fly in the top of the inning.

With one out in the sixth, Edgar Renteria doubled to left-center and Sheffield walked. Renteria scored and Sheffield went to third when Darren Daulton doubled to right. Right fielder Andruw Jones misjudged the ball and it sailed over his head and to the wall.

After Bobby Bonilla flied to left for the second out, the Braves walked Devon White to load the bases.

With the count at 2-and-2, Johnson doubled, scoring Sheffield, Daulton and White to give Florida a 5-2 lead.

Gretzky Performs His 50th Hat Trick

The Associated Press

Wayne Gretzky's 50th three-goal game, a five-point night and the New York Rangers' first victory of the season — against the Canucks in Vancouver — weren't enough to make Gretzky feel better over the departure of his friend Mark Messier, who left the Rangers for the Canucks during the summer.

"To be quite honest with you, it's kind of sad," Gretzky said Saturday night after the Rangers' 6-3 victory over the Canucks.

NHL Roundup

"I don't really know what to say. Nobody's moping around. We hope he does great, but on the other side of it we wish he was still with us. That's not a lie, that's the truth."

Gretzky, the National Hockey League's all-time leading scorer, recorded the 66th five-point game of his career with three goals and two assists.

After scoring twice in the second period to give the Rangers a comfortable 5-2 margin, Gretzky capped the night with a masterful goal eight minutes into the third.

Carrying the puck into the Vancouver end, Gretzky cut across the ice and went to the net. Circling the goal and pulling goaltender Kirk McLean out of position, Gretzky came out the other end and flipped the puck over defenseman Dana Murzyn.

The crowd celebrated Gretzky's feat with a standing ovation.

"It's always fun to play in Canada. I've always enjoyed playing here. I almost ended up here. It's kind of a special ovation," said Gretzky, who was on the verge of joining the Canucks before getting a call from the Rangers in the summer of 1996.

The Rangers' victory, coming after the team set an NHL record by tying its first four games of the season, came in their first meeting against Messier, their former captain and spiritual leader who ended a six-year career in New York to sign as an unrestricted free agent with the Canucks last July.

Messier continued to play down the significance of facing his former team.

"I was looking at this game to see how we would measure up against a team that is one of the favorites to win the Stanley Cup. That was the only way I was approaching the game," said Messier, who led the Rangers to their last Cup victory in 1994.

Messier tied the game 1-1, scoring a minute into the second period when he converted Pavel Bure's pass to complete a 2-on-1 break.

But the Canucks' play was not impressive.

Vancouver's coach, Tom Renney, said he was embarrassed by the performance.

Blues 5, Panthers 3 In St. Louis, Brett Hull scored his league-leading sixth and seventh goals as St. Louis beat Florida.

Hull's hard shot from the slot gave the Blues a 3-2 lead at 12:58 of the second period. Hull scored his second goal at 8:50 of the third period from a pileup in front of the net.

Avalanche 3, Coyotes 3 Jeremy Roenick beat Patrick Roy with a backhander with 4:40 left in the game to cap a three-goal Phoenix third-period spurt and lift the visiting Coyotes into a tie with Colorado. Dallas Drake and Deron Quint added third-period goals against Roy.

Sharks 5, Bruins 2 Second-period goals by Todd Gill, Marco Sturm and Viktor Kozlov sparked host San Jose as the Sharks beat Boston for the first time in their history.

Flyers 6, Canadiens 2 In Montreal, John LeClair scored three goals and set up two others to lead Philadelphia to victory over Montreal. It was the first loss for the Canadiens' new head coach, Alain Vigneault.

LeClair assisted on goals by Eric Lindros and Dainius Zubrus as Philadelphia's Legion of Doom line accounted for 11 points in an impressive display of forechecking.

Oilers 2, Maple Leafs 1 Mats Lindgren scored with a perfectly executed steal to snap a tie and boost Edmonton over visiting Toronto.

With 16 seconds left in a penalty to Ryan Smyth, Lindgren stripped the defenseman Jamie Macoun of the puck in front of the Edmonton bench, then raced into the Leafs' zone and beat goaltender Felix Potvin with a wrist shot.

It was Lindgren's first goal and Edmonton's first shorthanded goal of the season.

Devils 3, Sabres 2 Dave Andreychuk assisted on two goals and scored the game-winner on a power play at 7:36 of the third period to lead New Jersey in a home victory over Buffalo.

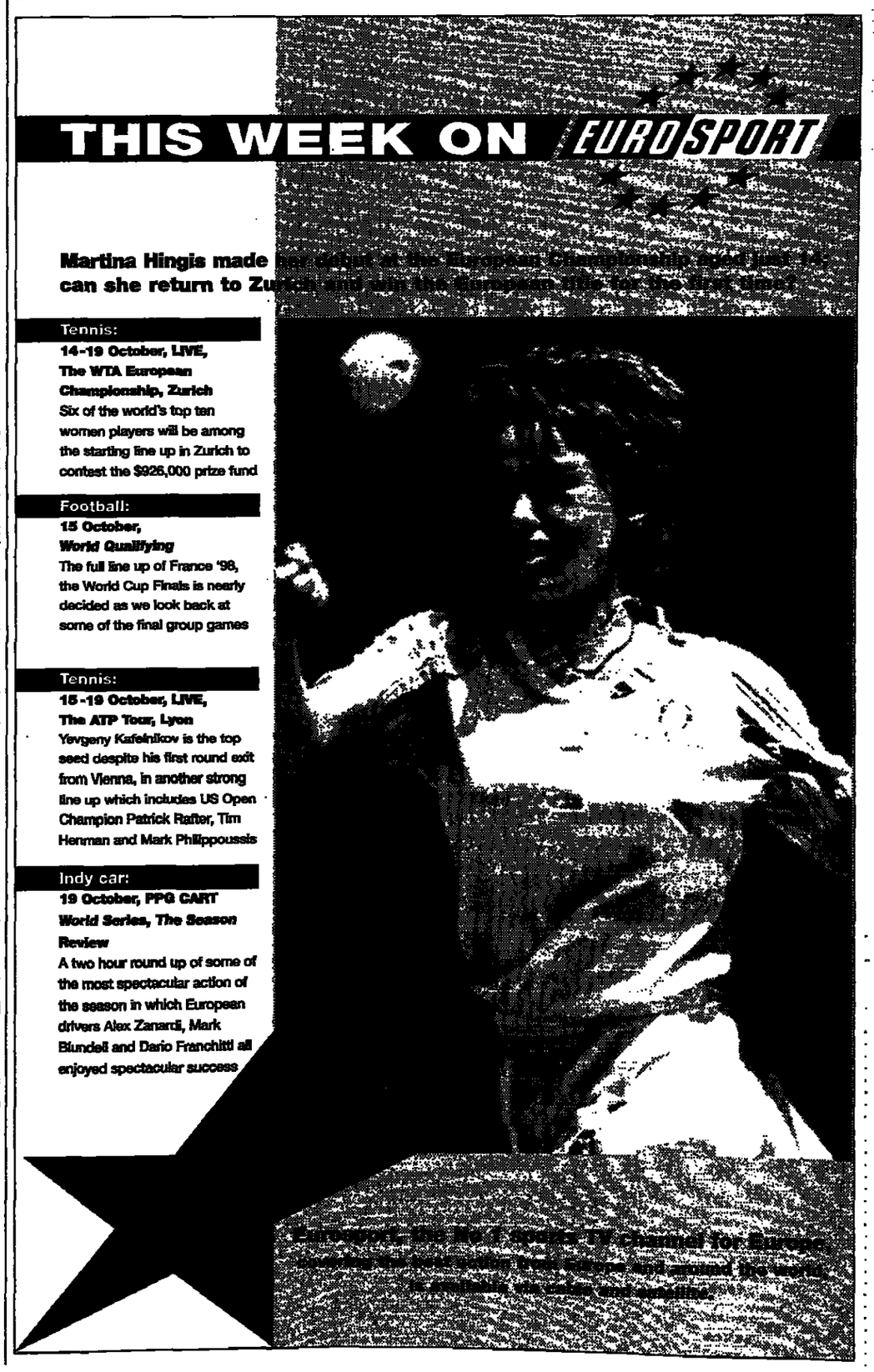
Bobby Holik and Scott Niedermayer also scored for New Jersey.

Michal Grosek and Jason Dawe scored for Buffalo, who got an excellent performance from Steve Shields in his first start of the year with 27 saves.

Penguins 4, Hurricanes 1 In Pittsburgh, Jaromir Jagr set up one goal and scored another in the first five minutes as the Penguins beat Carolina and ended a three-game losing streak.

Capitals 3, Islanders 1 In Landover, Maryland, Jan Bulis and Yogi Svejkovsky scored 1:26 apart early in the second period and Washington defeated New York to improve to 3-0-0 at home.

Defenseman Sergei Gonchar, playing in his first game of the season, also scored for the Capitals.





FÉDÉRATION FRANÇAISE DE RUGBY

The French Rugby Union has made available to professional agencies (travel agencies, communication agencies and public relation agencies) a number of seats for the games organised at the Stade de France in 1998.

The agencies interested are invited to contact the French Rugby Union, Communication and Markering Department, 9 rue de Liege, 75009 Paris (by mail only) before October 24.

An application form will be sent immediately.

WORLD ROUNDUP

Singh Stops Els

GOLF Vijay Singh of Fiji deposed Ernie Els as the World Match Play champion Sunday when he took advantage of the South African's erratic play to win their final by one hole at Wentworth, England.

Els had won the title the previous three years. He beat Singh 3 and 2 in last year's final.

Singh led by three holes after the morning round. Els drew even at the 10th hole in the afternoon. But at the 15th he found a greenside bunker to slip one down again, and Singh halved the three remaining holes.

• Duffy Waldorf putted brilliantly in tough conditions to extend his lead to three strokes after the third round of the Michelob Championship in Williamsburg, Virginia, on Saturday. Waldorf shot a 2-under-par 69 for a 12-under total of 201 and a 3-shot lead over Fred Funk, Kirk Triplett, David Duval and Grant Waite. *(Reuters).*

Hingis Crushes Raymond

TENNIS Martina Hingis, the world No.1, easily beat unseeded Lisa Raymond of the United States, 6-4, 6-2, Sunday to win the $450,000 Porsche Cup in Filderstadt, Germany, for the second year in a row.

Raymond interrupted the first set at 5-4 to have a thigh injury treated. Hingis used the short break to play against a ball-boy.

• Magnus Gustafsson beat Nicolas Kiefer, 4-6, 6-3, 6-3, to win the Singapore Open after being roused by a series of disputed line calls against him. Gustafsson, a 30-year-old Swede, was incensed by a series of calls early in the second set at a time when Kiefer, 20, was clearly in control.

• Goran Ivanisevic came from two sets down Sunday to beat Greg Rusedski of Britain in a five-set battle in the final of the CA Trophy in Vienna. In a battle of big servers, the Croat triumphed, 3-6, 6-7 (4-7), 7-6 (7-5), 6-2, 6-3, over the world No. 4 and moves from ninth to fifth in the rankings.

Broncos Face Mariners

RUGBY LEAGUE The Brisbane Broncos will meet the Hunter Mariners in the first Super League world club final. The Broncos fought back to beat the Auckland Warriors, 22-16. The Mariners scored a try four minutes from the end of regulation time to upset fellow Australians, Cronulla, 22-18. *(Reuters)*



AP

EYES ON THE BALL — Martin Johnson of Leicester outleaping Milan's Mastrodomenico in a European Cup rugby union game Sunday. Leicester won the game 37-29.

Brochard Breezes In As King of the Road

Frenchman Wins World Title

By Samuel Abt
International Herald Tribune

SAN SEBASTIAN, Spain — With his big earrings, blond ponytail and colorful bandanna around his forehead, Laurent Brochard looks more like a mountain-bike racer than a member of the road fraternity, which tends to regard a two-day stubble as a daring fashion statement. Yet Sunday afternoon, Brochard, a 29-year-old Frenchman, found himself crowned king of the road.

Riding strongly and smartly, he won the world championship elite road race in San Sebastian in a six-man sprint into

WORLD CYCLING

a brisk wind. Brochard kept sheltered in the lee of another rider until the last 100 meters, then passed on the left, dug deep and crossed the line a clear winner in the final race of the World Championships.

The man he came around, Leon van Bon, a Dutchman, was the first to compliment the winner.

"He played a very smart game," said van Bon, who finished third in the 256.5-kilometer (160-mile) race.

The rider who finished second, Bo Hamburger, a Dane, was equally gracious.

"It was a strong wind," he said, "and Brochard was just a little bit stronger than me."

Brochard was timed in 6 hours 16 minutes 48 seconds, an average speed of 38.6 kilometers (24 miles per hour) in cool and occasionally squally weather. This was the biggest triumph by far in his six-year professional career, which includes a daily stage victory this year in the Tour de France. He ranks 63d in the computerized standings of the world's top 800 riders.

Udo Bolts, a German, was fourth; Melchior Mauri, a Spaniard, was fifth and Laurent Dufaux, a Swiss, was sixth. All six participants in the sprint were given the same time in what was formerly known as the professional road race but now includes professionals and amateurs over the age of 23.

The three medal winners are out of the same mold: aggressive support riders, attackers and punchers, as the term goes, but not leaders or big winners.

Those people — like Johan Museeuw, the Belgian who was the defending road champion; Laurent Jalabert, the Frenchman who ranks first in the world, and such stars as Michele Bartoli, Francesco Casagrande and Davide Rebellin, all Italians — finished in the main chasing group, 16 seconds behind.

So the riders who complained that the mainly flat course was too easy could support their case by noting that 14 of the 161 starters from 25 countries were separated by those 16 seconds. Forty-four other riders finished within a minute of Brochard.

In all, 87 men, who usually race for trade teams, not national ones, crossed the final line to the loud drumming of Spanish fans who beat on the tin siding of the crowd barriers.

For a fellow who possibly practices body piercing to go with his look, Brochard was notably reserved at a news conference afterward — so reserved that he was asked if he realized that he was now world champion, as most of the great riders have been.

"I keep my emotions inside," he replied. "I'm really quite reserved but that doesn't mean I'm not thrilled."

He had another surprise in store. When he was asked to whom he dedicated his victory, he replied, "First, to me, since I did the work."

Then he remembered the script for the world championship acceptance speech and added that he included his wife, Veronique, and their 5-year-old daughter, Lolita.

Clutching the third gold medal France won in the 10-event championships, Brochard acknowledged that his role had been, as usual, to work for a leader.

"I was supposed to neutralize any breakaways and work for Jalabert," he said, meaning that he was meant to track down attacks by rivals and let Jalabert go for a gold medal to match the one he took in the time trial on Thursday. "At the end, I saw that I was the only Frenchman at the front, so I rode for myself. Van Bon stayed with me but I saw that he was at his limit, so I accelerated one more time and that was it."

Brochard was part of various leading groups much of the afternoon as continuous attacks were mounted and foiled on the undemanding terrain and its turns made slick by rain.

The American team of six riders had a fine day, as five finished the grinding race of 19 laps of 13.5 kilometers each. Chris Horner was the highest ranked American, in 28th place, followed by Chann McRae in 31st, Tyler Hamilton in 39th, Marty Jemison in 68th and Frank McCormack in 70th. Jon Vaughters did not finish.

"We didn't have the strength or the experience to go on the offensive," said the team's coach, Jim Ochowicz. "I told them to play the survival game until the last two laps, stay on the right wheel and try to get a top-20 finish."

A mass crash three laps from the end thwarted that plan for Horner, who was trapped behind riders stopped by fallen bikes and colleagues.

The race was watched by a startlingly small crowd all along the route out of and back into San Sebastian. Basques from this region routinely flow by the hundreds of thousands across the nearby border to watch stages of the Tour de France and the city is a hotbed of cycling clubs and races.

But most people stayed safely home after a car bomb exploded just off the course Saturday during the women's elite road race. Basque nationalists were blamed for the attack, which injured three civilians, none seriously, and which occurred as a police patrol neared the booby trap.

The extremists, who seek separation from Spain, staged a short demonstration Sunday, blocking the road and halting the race in its third lap. The police quickly cleared the course of all but racers.



Armando Franca/The Associated Press

Brochard crossing the finish line ahead of Hamburger, left, and Bolts.

Schumacher Wins While Villeneuve Is in Limbo

Reuters

SUZUKA, Japan — Michael Schumacher, with some help from Formula One's administrators, ensured that the world drivers' championship would not be decided until the last race of the season when he won in the Japanese Grand Prix on Sunday.

The 28-year-old German, drove his Ferrari with measured aplomb to finish the 53-lap race 1.3 seconds ahead of his compatriot Heinz-Harald Frentzen. Frentzen gained six points for second place to ensure that his Williams team won a record ninth constructors' championship. But Williams' chances of winning the drivers championship were dented when Jacques Villeneuve of Canada, the team's No. 1 driver, was disqualified before the race and allowed to drive only under appeal.

Villeneuve finished fifth behind third-placed Eddie Irvine of Britain, in a Ferrari, and Mika Hakkinen of Finland, in a McLaren. Jean Alesi of France in a Benetton was sixth.

Villeneuve was disqualified after final practice on Saturday for ignoring a yellow caution flag. Villeneuve was one of six drivers to ignore the caution flag — the others included Schumacher — but the Canadian had received a suspended sentence for ignoring caution flags earlier in the season.

Villeneuve was the fastest in practice, and after his team appealed the decision, Villeneuve was reinstated to the pole. Any penalties must be decided by Formula One's governing body, the International Federation of Automobile Sport. Possible penalties include the loss of the two points Villeneuve gained for fifth on Sunday or even suspension for the final race.

Villeneuve had started the weekend nine points ahead of Schumacher in the drivers' championship and could have clinched the title Sunday. Instead, the Canadian driver came out just ahead of the German, 79-78. If Villeneuve is stripped of the points he gained Sunday as punishment for the flag violation, Schumacher will be ahead 78-77.

Villeneuve roared into the first corner Sunday after switching to the right lane to block Schumacher's attempt to overtake him. Schumacher, who started from the second grid, almost collided with Villeneuve.

"He wanted to make me lose as many points as he could, which meant slowing me down and arranging for other cars to get in front of me," Schumacher said.

Irvine, who started from fourth place on the grid, led after the first round of pit stops, but he obeyed team orders and slowed down to let Schumacher — who had passed Villeneuve in the pit stops — to take the lead. Irvine, in second place, blocked Villeneuve's counterattack.

In the standings, it was worth 10 points. If Schumacher and Villeneuve end the season tied in points, Villeneuve would be the champion because he has won more races so far this season — seven to Schumacher's five.

After 12 Unforgettable Innings, Indians Win

By Thomas Boswell
Washington Post Service

CLEVELAND — Ladies and gentlemen, we have a new candidate for Most Amazing Baseball Game Ever Played.

Granted, this category might have a 1,000-way tie for first place. Still, Game 3 of the American League Championship Series between the Baltimore Orioles and Cleveland Indians on Saturday will have its passionate advocates for many a year, well into the game's next century.

Braves shut out Marlins. Page 19.

In the end, after four hours 51 minutes and 12 innings, the Indians won, 2-1, in the only way that would have been appropriate to this staggeringly bizarre series — in an amalgam of excitement, controversy, confusion, unthinkable mistakes and inside baseball.

Marquis Grissom scored on a passed ball by Orioles catcher Lenny Webster as the Indians attempted, and botched, a suicide squeeze play. Omar Vizquel missed the bunt, Webster missed the ball and, as Webster stood with the ball in his hand a few feet from home plate, Grissom raced across the base.

"I missed the bunt. I was ready to kill myself, because Marquis would have been out at the plate," said Vizquel. "Then I saw Marquis run across the plate and I just started jumping."

The Orioles jumped, too — screaming in rage on the field. They thought Vizquel had foul-tipped his bunt attempt, which would have nullified the play.

The umpire who made the call, which looked correct to many people on replay, was John Hirschbeck. Yes, the same umpire into whose face the Orioles' Roberto Alomar spat last season.

"He definitely tipped the ball and it deflected off my glove," said Webster. "All I could do was get a bit of my glove on it. I definitely saw contact. I heard contact."

He said when Hirschbeck gestured with his arm, he thought it meant foul ball.

"I didn't run and get the ball for that reason," he said.

But what if he had run after the ball? Would he have gotten Grissom.

"I don't think so. If I dash, I'd have to dive back for him," said Webster. "I don't know."

Davey Johnson, the Orioles manager, said, "I thought I heard a 'tick.'"

"Maybe that's wishful hearing," he said. "And I saw the ball change direction. To me, that means a foul tip. When my catcher doesn't go after the ball, I figure it's a foul ball."

"I did not hear anything," said Hirschbeck. "If I had ruled a foul ball, I would have screamed foul — loud. And waved emphatically."

That final play brought together many of the protagonists in a series that the underdog Indians lead, 2-1.

Grissom, standing on third base, was both hero and goat. His three-run, eighth-inning homer in Game 2 gave Cleveland a 5-4 comeback victory. Yet, with one out in the ninth inning Saturday and an Oriole on second base, Brady Anderson hit a fly to center. Grissom, who was playing with flu symptoms and, at times, has taken fluids intravenously in recent days for dehydration, never saw the ball.

The fluke fly fell to the turf as the Orioles tied the score, 1-1.

"So far, destiny has smiled" on Grissom twice and dumped on him once, Mike Hargrove, the Cleveland manager said.

This series has already provided a winter of fodder for debate. Everybody had chances to win. Rafael Palmeiro struck out with the bases full in the 11th inning. Sandy Alomar Jr. struck out with the bases loaded in the bottom half of the inning. Three batters earlier, Cal Ripken had saved the game for the Orioles, temporarily at least, with a diving stop behind third base.

For the first seven innings of this battle, Orel Hershiser and Mike Mussina staged one of the best postseason pitching duels ever seen. The Orioles' Mussina struck out 15 in his seven innings, the most in a League Championship Series game — or by any Oriole ever.

Mussina allowed three singles. He left trailing, 1-0.

Hershiser, 39, thought to be nearly a decade past his prime, was better. The sinker ball specialist faced only one batter more than the minimum in his seven innings and allowed no Oriole past first base.

But few pitchers have ever battled more gloriously than Mussina, who beat Randy Johnson in back-to-back playoff starts against the Seattle Mariners last week in their first-round divisional playoff series. This time, Mussina struck out the side in the first, third and sixth innings. But Hershiser matched him, zero for zero.

Finally, in the seventh inning, the Indians staged a pitched battle with Mussina worthy of any sports dime novel. Leadoff man Manny Ramirez might have given the Indians a chance to win by leading off the inning with a strikeout. But what a strikeout.

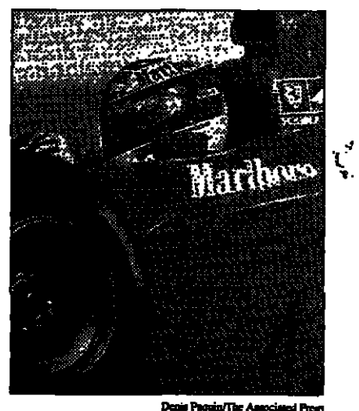
Ramirez battled the Orioles right-hander through 13 pitches.

Next, Jim Thome, the cleanup man, drew a full-count walk on a borderline slider at the top of the strike zone. David Justice pushed Thome to second base with a line-drive single to center.

Again, the moment was rich. Center fielder Brady Anderson got a terrible jump. Replays showed that the ball had cleared the infield and Anderson still hadn't moved either foot. Anderson, one of the toughest players in the sport, was playing despite a pulled groin muscle.

Mussina looked cooked. He'd thrown 22 pitches in the inning and 116 for the game, his third-highest total of the season. The Indians' Matt Williams grounded the first pitch he saw back through the box and into center field for an RBI hit. Shortstop Mike Bordick barely missed a diving stop that would have gotten a force out at second base.

The Orioles eventually tied the score in the ninth inning on Anderson's fly ball. But they weren't able to hold off the Indians.



Denis Paquin/The Associated Press

Michael Schumacher piloting his Ferrarri to a victory in Japan.



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Italy ●	172-1011
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Russia ●▲(Moscow) ▷	755-5042
Spain	900-99-00-11
Sweden	020-795-011
Switzerland ●	0800-89-0011
United Kingdom ▲	0500-89-0011
	0800-89-0011

MIDDLE EAST

Egypt ●(Cairo) ▾	510-0200
Israel	177-100-2727
Saudi Arabia ◇	1-800-10

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